

DAILY REPORT

China

Vol I No 229

27 November 1985

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PRC INTERNATIONAL AFFAIRS
GENERAL

A 1

FOREIGN MINISTRY SPOKESMAN HOLDS WEEKLY BRIEFING

DK Group To Visit 7-10 Dec

OW270954 Beijing XINHUA in English 0934 GMT 27 Nov 85

[Text] Beijing, November 27 (XINHUA) -- A delegation from Democratic Kampuchea [DK] will pay an official goodwill visit to China from December 7 to 10 at the invitation of the Chinese government. This was announced by a Chinese Foreign Ministry spokesman here this afternoon at a weekly press briefing.

The delegation will be headed by Prince Norodom Sihanouk, president of Democratic Kampuchea, with Son Sann, prime minister of the Coalition Government of Democratic Kampuchea, and Khieu Samphan, vice-president of Democratic Kampuchea in charge of foreign affairs, as the deputy heads.

The spokesman disclosed that during the delegation's visit to China, Chinese leaders Hu Yaobang, Deng Xiaoping, Zhao Ziyang and Li Xiannian will meet with the Kampuchean leaders and exchange views on issues of common concern. He said, Sihanouk and his wife arrived in Beijing November 21 after attending the 40th session of the U.N. General Assembly. Son Sann and Khieu Samphan will come to Beijing in due time from the front where the Kampucheans are fighting the Vietnamese aggressors.

Speaking of the present situation in Kampuchea, the spokesman expressed his conviction that, far from being weakened, the anti-Vietnamese Armed Forces in Kampuchea, under the leadership of the Coalition Government of Democratic Kampuchea, have become more and more active in guerrilla warfare in the interior of Kampuchea since the seventh dry season. The Vietnamese troops [words indistinct] yet to launch another offensive in the eighth dry season, but their attempt to put out the flame of anti-Vietnamese struggle is doomed to fail, he declared. He said: "The Chinese Government and people will firmly support the Kampuchean people in their just struggle against Vietnamese aggression and for national independence."

CSSR Vice Premier To Visit

OW271046 Beijing XINHUA in English 1030 GMT 27 Nov 85

[Text] Beijing, November 27 (XINHUA) -- Vice-Premier of the Socialist Republic of Czechoslovakia Jaromir Obzina will pay an official visit to China from December 6 to 11 at the invitation of the Chinese Government. This was announced by a Foreign Ministry spokesman here this afternoon at the weekly press briefing. Jaromir Obzina is also chairman of the National Committee of Science, Technology and Investment Development.

Answering a question of whether China condemns the hijacking of an Egyptian airliner last weekend, the spokesman said China's position against terrorist activities is known to all. "We oppose such terrorist operations as the hijacking of airliners."

UN ENVOY OPPOSES INTERVENTION IN CENTRAL AMERICA

OW260825 Beijing XINHUA in English 0724 GMT 26 Nov 85

[Excerpt] United Nations, November 25 (XINHUA) -- China is opposed to "intervention in Central American affairs by whatever outside forces in whatever form", Yu Mengjia, Chinese representative to the United Nations said today at the plenary of the U.N. General Assembly on the situation of the region.

The Chinese representative pointed out that since the 39th session of the General Assembly adopted a resolution on the situation in Central America, "foreign military forces continue to be in the region and outside intervention has been on the increase rather than decrease, manifested by aggressive intimidation and imposition of trade embargo or by ever-increasing direct or indirect, overt or covert military aid to that region under specious pretexts. The peace and security of Central America are still subjected to serious threat". He said that "The problems of Central America should be settled by the Central American peoples themselves"; and the contradictions and conflicts among the countries in the region "should be settled fairly and reasonably through peaceful negotiations". Yu also reiterated China's "firm support to the Contadora Group in its effort to bring about relaxation to the situation in Central America, and to seek a political solution to the disputes there. "China is behind the group's stand that the Central American issue should not be brought into the orbit of East-West conflict," he added. Contadora Group is the sub-regional organization consisting of Mexico, Panama, Columbia and Venezuela.

In conclusion, Yu also expressed the hope that "the countries concerned will respect the aspirations of the Central America peoples, abandon their policy of interference and adopt a positive attitude so that the efforts of the Contadora Group and the Lima Group for the realization of peace and stability in the Central American region can be fruitful and all the countries there may live in peace and amity".

ENVOY TO UN ON SAFEGUARDING ANTARCTIC TREATY

OW270402 Beijing XINHUA in English 0248 GMT 27 Nov 85

[Text] United Nations, November 26 (XINHUA) -- "The Chinese Government hopes, while working together with other states, to make its own contribution in safeguarding the purposes and principles of the Antarctic treaty." The statement was made by Chinese Deputy Permanent Representative to the United Nations Huang Jiahua at the Political and Security Committee of the 40th session of the U.N. General Assembly as it considered the question of Antarctica.

Huang said that though the Antarctic treaty signed in 1959 was "neither perfect nor flawless," but "over 20 years of implementation have amply demonstrated the validity of its purposes and principles." It has [words indistinct] role in preserving the Antarctica for peaceful purposes, prohibiting all activities of a military nature, preventing it from becoming the scene or object of international discord, and in particular promoting international cooperation in all Antarctic activities," he added. Referring to the U.N. deliberations on the question of Antarctica, he stressed that "serious consideration should be given to all reasonable proposals which aim at promoting the thorough implementation of the purposes and objectives of the Antarctic treaty, at improving its regime and at expanding international cooperation for the greater benefit of all mankind." Huang also said that it is China's earnest hope that all countries, will consult each other fully, seek to understand each other and cooperate in good faith in order to find reasonable ways and means to resolve the question of Antarctica.

RENMIN RIBAO ARTICLE URGES NORTH-SOUTH COOPERATION

HK261218 Beijing RENMIN RIBAO in Chinese 23 Nov 85 p 7

["Current Affairs" Column by Chen Tean: "A Step Forward in North-South Cooperation"]

[Text] Recently, the EEC, CACM, and Contadora Group held their second ministerial conference.

The conference adopted a joint political communique and a joint economic communique, which for the first time institutionalized the political and economic cooperation between the EEC and CACM. This is gratifying progress in North-South relations.

The countries of the EEC have always attached importance to developing economic relations with Third World countries and have taken the initiative in promoting North-South dialogue. As one of the largest economic and trade groups of the developed countries in the world, the EEC has become an important trade partner of Third World countries. It started instituting a worldwide preferential system early in 1971. The EEC has signed three Lome conventions with 65 countries in Africa, the Caribbean area, and the Pacific region, and concluded various kinds of cooperative agreements with Mediterranean, ASEAN, and Latin American nations and other developing countries. The EEC is also the most important aid provider to the Third World. As it has achieved some results, the EEC is making further efforts to expand work in this field. Besides benefiting both sides, it can also exert a positive influence over North-South relations.

The question of North-South relations is a major global issue in the world today. The "Declaration on Establishment of a New International Economic Order" and the "Program of Action" adopted by the sixth special UN General Assembly in 1974 indicated that the question of North-South relations has been placed formally on the international agenda. Eleven years have elapsed since then. There has been much comment on the North-South issue. The dialogue began and manifested some healthy "symptoms." However, the efforts did not succeed in breaking the deadlock. The fundamental reason is that formidable obstacles remain. Some developed countries gave verbal support, but were actually indifferent; some did not believe that North-South relations could improve and produce benefits so they adopted a skeptical attitude; and some looked down upon the Third World, ignored the reasonable demands of the developing countries, and even insisted on the old international economic order in an attempt to infringe upon the interests of the Third World. All this has made it impossible to take a solid step forward in improving North-South relations. Now the EEC has again indicated with its own practice that North-South relations will be improved so long as the countries concerned are sincere and make an effort based on equality and mutual benefit. Such cooperation, though not perfect at present, is developing step by step and has been welcomed by various countries.

The current world economy has become a unified body of the developed and developing countries in which each side depends on as well as conflicts with the other. The strengthening of North-South cooperation is advantageous to the economy of the Third World as well as to the economic prosperity of the developed countries. At present, the developed countries want to maintain their economic development. However, they are confronted with difficulties such as a shortage of raw materials, relative saturation of commodities and investment markets, and frequent trade wars. How then can they seek a way out? Should they continue to shift their crisis on the developing countries and exploit the Third World? If they do so, they may get temporary relief which will result in disaster. According to statistics, if the developing countries reduce their imports by 10 percent, the developed countries will have to cut their exports by 3 percent. Consequently, the misfortune of others may lead to disaster for themselves. Some wise people have proposed a method of providing an opportunity for themselves as well as others to survive. It seems that the improvement of North-South relations and the strengthening of North-South cooperation is the only way to extricate the economy from this predicament. As stated by the Brandt Committee, only by seeking common prosperity of both the North and South can we "strive for the program of survival." Undoubtedly, the cooperation between the EEC and the Third World has given people new enlightenment. Now is the time to open the gate to North-South cooperation.

RENMIN RIBAO ON PROTECTIONIST TIDE IN U.S. CONGRESS

HK270552 Beijing RENMIN RIBAO in Chinese 25 Nov 85 p 6

["Newsletter From America" by reporter Zhang Liang: "Whither U.S. Trade Policy?"]

[Text] On 20 November, the U.S. Senate put forward a trade bill, which was described as "a major attempt by the two parties to formulate an overall national trade policy and to solve the main problems in trade." The sponsors of the bill include more than 30 Republican and Democratic senators. Dole, majority leader, is also among the sponsors. So the bill has aroused the attention of the mass media here.

This bill is called the "trade promotion bill." It includes the following main points: taking retaliatory action against foreign countries which engage in "unfair trade" activities; restraining the President's power to veto the "International Trade Committee's" proposals to restrain the import of some goods; initiating a new round of international trade talks; taking measures against "dumping" by countries which do not practice the market economy; and more effectively protecting the patents, trademarks, and copyrights of the United States. Obviously, this is a compromise scheme. It not only reflects the voice of protectionism in Congress, but also includes some trade measures adopted by the Reagan administration in recent months. The bill was put forward prior to an imminent showdown between Congress and the White House on the issue of trade. The Senate and the House of Representatives have now respectively passed bills on restraining the import of textile goods and garments. A joint meeting of the two houses will be held to discuss a unified version of the bill to be submitted to Congress for final approval. President Reagan has indicated that he will veto this bill.

However, the textile bill is just one of the more than 300 bills on restraining imports now being considered by Congress. At present, the atmosphere of protectionism is prevailing in Congress. Many congressmen, especially some Democratic congressmen, are waving the banners of "protecting American industry" and "patriotism" and calling for imposing more import quotas on various goods or raising the import tariff to restrain imports. As the trend of protectionism is getting stronger and stronger, some congressmen who previously stood for free trade have also turned to supporting bills on restraining imports.

In recent years, the U.S. trade deficit has continued to increase. It is expected that the trade deficit in 1985 will reach \$150 billion. The sharp increase in the trade deficit has affected some industries in the United States, and these industries have put pressure on Congress. For the congressmen who face midterm elections next year, this is undoubtedly a very sensitive issue which they cannot disregard. In addition, the Democratic Party is trying to win more support from voters by making use of the trade issue in order to win back its majority in the Senate.

In the face of the protectionist tide in Congress, the Reagan administration on the one hand has reiterated its commitment to free trade and has pointed out that protectionism will merely lead to economic disaster; on the other hand, it has also adopted some measures for improving the state of trade. This year, the United States has held several rounds of trade talks with Japan, and asked Japan to open its market to American goods. Under the sponsorship of the United States, the finance ministers of five Western countries held a meeting in New York on 22 September and agreed to take joint action to intervene in the exchange markets and force down the value of the U.S. dollar so as to improve the competitive power of American goods.

At the same time, the U.S. Government set up a \$300 million fund to subsidize exports, and set up a special trade management group to investigate foreign countries' "unfair trade" activities. It has also actively promoted the holding of a new round of international trade talks.

These measures adopted by the Reagan administration have, to a certain extent, mitigated the sentiments of protectionism inside Congress, but they cannot effectively eliminate the trade deficit. The root cause of the rise in the U.S. trade deficit is the excessively high level of the U.S. dollar's exchange rate which is the result of high interest rates and the high budget deficit. Without really lowering the budget deficit, it will be hard to improve the state of trade. Then, the trend of protectionism in Congress will still continue to grow, and the trade policy pursued by the Reagan administration will face some stern tests.

SINO-U.S. SEMINAR ON NUCLEAR POWER SOFTWARE HELD

OW251144 Beijing XINHUA in English 1125 GMT 25 Nov 85

[Text] Beijing, November 25 (XINHUA) -- More than 70 nuclear power experts and engineers from China and the U.S. gathered here today for technical exchanges on nuclear power plant safety software.

During the five-day Sino-U.S. nuclear power software seminar, which is sponsored by the Nuclear Software Center of the Nuclear Industry Ministry, the participants will present over 20 papers. The papers will cover computer codes and programs of nuclear power plant safety systems used by U.S. Energy Incorporated, and the computer programs used in the design of China's Qinshan nuclear power plant which is now under construction.

Speaking at today's opening ceremony, Jiang Shengjie, chairman of the Science and Technology Committee of the Nuclear Industry Ministry, said that there were good prospects for China's nuclear power development. China would absorb foreign advanced technology and experience for its nuclear power industry. Jiang is also the director of the State Bureau of Nuclear Safety.

William Botts, president of U.S. Energy Incorporated, said that his company was willing to establish long-term relations with China and promote technological exchanges in the field of nuclear power.

The Nuclear Software Center of the Nuclear Industry Ministry and U.S. Energy Incorporated last week signed an agreement on transferring the retran computer code for nuclear power plant safety analysis. The American side will also be responsible for training a number of Chinese technicians.

The Atoztec Consultants Ltd. in Hong Kong played a liaison role for the convening of the seminar.

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PRC INTERNATIONAL AFFAIRS
NORTHEAST ASIA

D 1

CONSULAR TREATY SIGNED WITH DPRK IN BEIJING

OW261417 Beijing XINHUA in English 1317 GMT 26 Nov 85

[Text] Beijing, November 26 (XINHUA) -- A consular treaty between the People's Republic of China and the Democratic People's Republic of Korea was signed here tonight. Signatories were Chinese State Councillor and Foreign Minister Wu Xueqian and Korean Vice-Premier and Foreign Minister Kim Yong-nam.

Afterwards, Wu gave a banquet for Kim, who arrived here with a delegation today. The Koreans will leave tomorrow to visit several South-east Asian countries.

XIAO KE FETES DPRK ARMY DELEGATION 26 NOVEMBER

OW261648 Beijing XINHUA in English 1440 GMT 26 Nov 85

[Text] Beijing, November 26 (XINHUA) -- Xiao Ke, Chinese vice-minister of national defense, met and feted here this evening a delegation from the Korean People's Army led by senior general Km Pong-yul, vice-minister of the People's Armed Forces. The Korean visitors arrived here this morning.

ZHENG TUOBIN CALLS FOR TRADE BALANCE WITH JAPAN

OW270636 Beijing in Japanese to Japan 0930 GMT 26 Nov 85

[Text] A Japan-China investment and trade convention opened in Osaka, Japan yesterday. According to Radio Beijing correspondent (Su Guoxin), the PRC Minister of Foreign Economic Relations and Trade Zheng Tuobin said the following at yesterday's opening ceremony:

Sino-Japanese trade relations have entered a new stage of development from simple commodity trade to a many-sided form, encompassing trade, investment, and joint ventures. Unless China's import surpluses are corrected, continued development in Sino-Japanese trade will be hampered and Japanese efforts to increase exports to China are bound to be affected. China wants to expand its export base and achieve a balanced development of our bilateral trade. We also want to expand Chinese manufactured exports through a transfer of Japanese productive and administrative skills.

The Sino-Japanese investment and trade convention is sponsored by the Osaka Chamber of Commerce and Industries in cooperation with eight business organizations in the Kansai area and Osaka Municipality, with the support of MITI, the Japan Chamber of Commerce and Industry, and Japan External Trade Organization (JETRO). The purpose of the convention is to expand Japanese investment in China, to develop technical cooperation, and to promote economic exchange between the two countries.

Attending the business talks on the Chinese side are concerned officials from 14 cities, including Dalian, Tianjin, Shanghai, Shenzhen, and the Xiamen Special Economic Zone. They are expected to engage in active business negotiations with 359 Japanese firms from 25 through 30 November mainly to contract joint ventures.

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PRC INTERNATIONAL AFFAIRS
SOUTHEAST ASIA & PACIFIC

E 1

HONG KONG LAW CONSULTATIVE COMMITTEE NAMED

OW260858 Beijing XINHUA in English 0833 GMT 26 Nov 85

[Text] Hong Kong, November 26 (XINHUA) -- A 180-member consultative committee for the basic law of the projected Hong Kong Special Administrative Region has been named.

The name list had been approved on November 23 at the fifth meeting of the committee sponsors, according to a communique on the meeting issued yesterday.

Letters of invitation had been sent to the nominees to solicit their opinions, the communique said.

AUSTRALIA APPOINTS CONSUL GENERAL FOR HONG KONG

OW261411 Beijing XINHUA in English 1307 GMT 26 Nov 85

[Text] Canberra, November 26 (XINHUA) -- Australian Minister for Foreign Affairs Bill Hayden said today that Australia fully supports the Sino-British joint declaration on Hong Kong and believes that it can provide for continued cooperation between all parties involved in Hong Kong's future. Hayden made the remarks when he announced the appointment for Ms. Penny Wensley as Australia's consul general in Hong Kong.

He stressed that Australia has a wide variety of interests in Hong Kong. Hong Kong is Australia's 10th biggest export market, and a significant proportion of Australia's exports to the Chinese mainland passes through Hong Kong, he added.

Wensley has been deputy high commissioner in Wellington since 1982. She also served in Paris and Mexico City. She will be Australia's first consul general in Hong Kong following the renaming of the Australian Commission as an Australian Consulate General, which will take place on January 1, 1986. The present Australian commissioner, Donald Horne, has been in Hong Kong since 1982.

TRANSNATIONAL CORPORATION LAUNCHED WITH SINGAPORE

OW251936 Beijing XINHUA in English 1903 GMT 25 Nov 85

[Text] Hong Kong, November 25 (XINHUA) -- China and Singapore established a transnational corporation to promote sales of products from both countries on the world market, under an agreement signed here today.

The agreement was signed by representatives of the China Resources (holdings) Company, and of Trade and Intraco Ltd. of Singapore. The two partners will hold the corporation's shares on a 50-50 percent basis. The Singapore-based joint venture, named "the Singaporean Resources Company", will also handle trading in other countries and regions, including Hong Kong.

It is the first transnational corporation ever launched by China Resources Company -- the agent in Hong Kong of all companies managed by the Chinese Ministry of Foreign Economic Relations and Trade.

The Chinese company, which was inaugurated here in 1948, has just set up an overseas development division to promote sales of Chinese-made products abroad. The division has begun market surveys in the United States, Europe, Southeast Asia and the Middle East.

FURTHER REPORTAGE ON HU QILI'S VISIT TO FRG

Visits Nuclear Power Plant

OW270453 Beijing XINHUA Domestic Service in Chinese 1212 GMT 26 Nov 85

[By reporter Xia Zhimian]

[Excerpt] Bonn, 25 Nov (XINHUA) -- Hu Qili, member of the Political Bureau and the Secretariat of the CPC Central Committee, who is visiting the Federal Republic of Germany, drove from Munich for 2 and 1/2 hours to (Grafenleinfeld) on 25 November to visit a nuclear power plant.

Accompanied by (Fieiver), vice permanent chairman of the Board of Directors of the Associated Electric Power Company, Hu Qili first visited the power plant's main control room. Then he entered, through a special passageway, a spherical building where the reactor was housed. He was briefed on how the reactor worked and shown the fresh fuel rods lying beside the reactor. Finally, he visited the power plant's generator unit and looked at the two huge cooling towers in the distance.

Construction of this nuclear power plant began in 1975 and was completed in 1982. Its installed capacity is 1.3 million kw. Also visiting the power plant were Xiang Nan, member of the CPC Central Committee and first secretary of the Fujian Provincial CPC Committee; and (?Li Shuzheng), alternate member of the CPC Central Committee and deputy head of the International Liaison Department of the CPC Central Committee; both accompanying Hu Qili on his visit to the FRG.

Meets Foreign Minister

OW270724 Beijing XINHUA in English 0650 GMT 27 Nov 85

[Text] Bonn, November 26 (XINHUA) -- Hu Qili, member of the Political Bureau and Secretariat of the Central Committee of the Chinese Communist Party, met with Federal German Foreign Minister Hans-Dietrich Genscher here today for a discussion of the international situation. Hu briefed Genscher on China's independent foreign policy and the situation in the Asia-Pacific region. Genscher informed Hu of the second Eureka ministerial conference held in Hanover earlier this month. They had a lunch together.

In the evening, Johannes Rau, vice-chairman of the Social Democratic Party of Germany and minister-president of the State of North Rhine-Westphalia, gave a banquet in honor of Hu. It was attended by more than 80 people from the government, economic and educational circles. In their toasts, both Rau and Hu praised the close economic ties between China and the State of North Rhine-Westphalia and expressed the conviction that relations between China and the Federal German state will further develop.

Before the banquet was a meeting between Hu and Rau at the state government building to explore ways to strengthen bilateral economic cooperation. Earlier in the afternoon, Hu and his party visited an open-cut coal mine and a gasification factory.

Hamburg Reportage

For Hamburg DPA reportage on the 1-week visit by CPC Central Committee Secretary Hu Qili, including his meetings with FRG Chancellor Helmut Kohl and SPD Chairman Willy Brandt, see the Federal Republic of Germany section of the 26 November Western Europe DAILY REPORT and subsequent issues.

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PRC INTERNATIONAL AFFAIRS
MIDDLE EAST & AFRICA

11

RADIO ON YAO YILIN'S MEETING WITH SAUDI PRINCE

OW270544 Beijing Domestic Service in Mandarin 0300 GMT 26 Nov 85

[Newsletter: "Friendship Tour -- On Vice Premier Yao Yilin's Visit to Three Gulf Nations"]

[Excerpts] The month of November is a golden time in the Gulf area. The sweltering hot days of summer when the mercury shoots up to between 40 and 50 degrees celsius are over and the gentle breeze from the sea is cool and soothing. It was at this time of the year that Vice Premier Yao Yilin visited the United Arab Emirates, Oman, and Kuwait between 12 and 24 November.

While visiting in Oman, Vice Premier Yao Yilin met with leaders of the Kingdom of Saudi Arabia and Qatar, which have not yet established diplomatic relations with China. Yao Yilin's cordial meeting with Abdallah, crown prince and first deputy prime minister of Saudi Arabia, was the first meeting between a Chinese leader and a Saudi Arabian leader. This marked a new page in the annals of relationship between China and Saudi Arabia.

Carrying with them the deep feelings of friendship of the people of the Gulf nations for the people of China, Vice Premier Yao Yilin and his party concluded their 12-day visit to the Gulf area and left Kuwait early on 25 November for Bangkok en route home.

FIRST PRC CONTAINER CARGO SHIP ARRIVES IN KUWAIT

OW261901 Beijing XINHUA in English 1833 GMT 26 Nov 85

[Text] Kuwait, November 26 (XINHUA) -- The first Chinese regular full container cargo ship arrived here this afternoon marking the starting of the service of the full container transportation between China and the Gulf region. There will be two 20,000-ton container ships sailing between China and the Gulf region once every two months, each with a capacity of loading 724 containers. It is believed that the opening of the service would facilitate trade between China and Gulf countries.

HU YAOBANG MEETS REUNIONESE COMMUNIST PARTY GROUP

OW241301 Beijing XINHUA in English 1252 GMT 24 Nov 85

[Text] Beijing, November 24 (XINHUA) -- General Secretary Hu Yaobang of the Chinese Communist Party Central Committee, met here today a delegation from the Reunionese Communist Party led by General Secretary Paul Verges. The two general secretaries reviewed past experiences of the two parties.

Hu praised the Reunionese Communist Party for its independent policies pursued in the light of its own conditions.

Verges said that the Chinese Communist Party has shown its strong vitality by adopting appropriate policies and measures after summing up its past experiences.

They were both pleased with the resumption of relations between their parties after a stoppage lasting many years. They expressed the wish that the two parties will increase their contacts and work together to promote their relations.

The Reunionese delegation has visited Guangzhou and Hangzhou besides Beijing. It will leave here for home soon.

DENG LIQUN ON IDEOLOGICAL, POLITICAL WORK

OW261152 Beijing XINHUA Domestic Service in Chinese 1644 GMT 25 Nov 85

[Text] Wuhan, 25 Nov (XINHUA) -- Speaking at a national forum on ideological education in enterprises, Deng Liqun, member of the CPC Central Committee Secretariat, stressed that "It is necessary to pay equal attention to, shoulder the heavy duties of, and achieve results in both spiritual and material civilizations." He said, since the 3d Plenary Session of the 11th CPC Central Committee, the situation on the ideological front, like that on the economic and political fronts, has been good. Our contingent of ideological and political workers is a good one. Under the leadership of the Party Central Committee, they have upheld the four basic principles; forged ties with the masses; worked hard; continuously promoted new ideas; and made marked progress in ideological and political work. However, while progress is being made, new problems have also emerged on the ideological front. Therefore, the ideological and political departments and all comrades engaged in ideological and political work must fully realize the solemn duties they shoulder, work hard, overcome their shortcomings, and achieve results so as not to fail the expectations of the party and the people.

He said: The four basic principles are the foundation of all our policies. Thus, we must always uphold them without vacillation. Only by upholding the four basic principles can we correctly understand and thoroughly implement the various specific policies and prevent and overcome erroneous tendencies both from the "left" and the right. In simultaneously promoting socialist, material and spiritual civilizations, we must frequently restudy the scientific thesis in the political report of the 12th CPC National Congress. Both in the cities and the countryside, we hope that more and more spiritually and materially civilized households will appear. Comrade Deng Liqun emphatically pointed out that the exemplary deeds of party-member cadres are the key link in improving the party's work style. Veteran, middle-aged, and young cadres should all play an important role in bringing a fundamental change for the better in party style. All party-member cadres should at the least be honest in performing official duties, observe discipline, and abide by law. They should never chase after money or pursue private ends. They must conduct deep-going and meticulous ideological education work, and at the same time, they must strictly abide by party, government, and legal rules.

Deng Liqun said: While upholding the four basic principles, we must continue to overcome "left" tendencies; criticize liberal bourgeois tendencies; do a better and better job in our ideological and political work; and play our full role in socialist modernization.

The 8-day forum ended today. Representatives attending the forum exchanged experiences in strengthening ideological and political work and made constructive suggestions in this regard.

LIU SHAOQI'S 1950 SPEECH ON THEORETICAL STUDY

HK260730 Beijing RENMIN RIBAO in Chinese 24 Nov 85 p 1

[Article by Liu Shaoqi: "The Attitude Toward, and the Method of, Study" -- part of a speech delivered by Liu Shaoqi on 10 September 1950 at the opening ceremony of the second and third classes of the Institute of Marxism-Leninism]

[Text] We have won a victory in the Chinese revolution. Generally speaking, we have done a good job in various aspects of work, but our theoretical work is still very weak.

Many of our cadres, and even our senior cadres charged with weighty responsibilities, have rich experiences in struggle, but their theoretical level is not high. This is a weak point of our party. Meanwhile, the educational level of some comrades is also not high. Therefore, we must first raise their educational level and then their theoretical level. Rich experiences are their strong points, but their low educational and theoretical levels prevent them from making great progress. When problems crop up, some of them can be adequately handled but some cannot be dealt with satisfactorily. Many of our cadres who have rich experiences in struggle will be able to take on more important work and tackle more problems, provided they enhance their educational and theoretical levels.

A major task ahead of us now is to raise the educational and theoretical levels of our cadres. This is a continuous and long-term task. We can hardly fulfill it overnight and we will have to strive for about 10 years before we can make any progress in this field of work. Lack of theory is a major weak point. Some of our comrades do not have a correct understanding of theory and they are unwilling to engage in theoretical work. Such thinking is wrong. A small number of people engaged in theoretical research is not sufficient, we should have more and more people engaged in such research work. Cadres at their posts should also try to find time to study theory. Cadres who know only theory without practice are, no doubt, liable to commit errors of dogmatism, but theory is a guide to practical work. Without theory, we work blindly and cannot make any progress. One who does not know theory is liable to "be taken in" and to be misled by other people's highfalutin terms. Only with theory can we direct our work onto a correct course. Some people have no knowledge of theory, but they still want to issue orders in leading posts. Do their orders work? No, they do not. Although such people can still issue orders at present, it will be impossible for them to do so once other people have enhanced their theoretical level.

Cadres of our party should attach importance to theoretical work. Today, the party needs you to plunge yourselves into theoretical research work. It has decided to assign you to examine and tackle some practical problems with the theory that you will learn. This is very good for you. Generally speaking, after studying in the institute for a certain period of time, you will certainly acquire a certain degree of theoretical knowledge. When you take on a new job in the future, you will be able to observe, explain, and tackle practical questions with what you have learned from Marxism-Leninism. To observe, explain, and tackle practical questions with theoretical knowledge is our aim. To attain it, you must study hard, acquire a basic knowledge of Marxism-Leninism and of other science, and study works of Mao Zedong.

However, reading a few books and acquiring some theoretical knowledge are not tantamount to mastering theory. Only by reading books and having some theoretical knowledge is it possible to apply theory. Nevertheless, we cannot merely rely on books to handle practical problems. Some people know only how to read books, including both foreign and Chinese. Whatever subject you discuss, they can find it from books. When they encounter practical problems which Marx and Lenin never explained, they do not know how to analyze and handle them. This shows that they do not know how to apply the stand, viewpoint, and method of Marxism-Leninism to handle problems. This is actually the work method of dogmatists in China. Instead of regarding Marxism-Leninism as dogma, we must follow the stand, viewpoint and method of Marxism-Leninism. The problems you will encounter and have to tackle hereafter are all new problems which Marx, Engels, and Lenin never explained. For example, how should we handle the question of land reform in Hunan and Guangdong? We cannot find any explanation on such a question in the works of Marx, Engels, or Lenin, so you should apply the stand, viewpoint, and method of Marxism and Leninism which you have learned to correctly observe, analyze, and handle the question. Only in this way can we say that you have mastered theory from the Institute of Marxism-Leninism (Footnote 1) The Institute of Marxism-Leninism was founded in 1948.

Its task was to systematically train leading cadres and propaganda workers for the party with a fairly high theoretical level. The institute was named advanced party school under the CPC central organs in August 1955 and party school of the CPC Central Committee in October 1976.) Regarding the questions of land and peasants, we can find some basic viewpoints in the works of Marx and Lenin. In order to handle the questions of land and peasants in China, however, we must find the solution in light of China's actual realities. Take the question of rich peasants, for example. We took over the surplus land and property of the rich peasants in the past and distributed them to the poor peasants. But now we must preserve the economy of rich peasants. Does it mean that our past policy was wrong? No. It was right to distribute the land of the rich peasants in the past, and it is also right not to do so at present. As conditions have changed, it would be wrong if we did not preserve the economy of rich peasants at present. Naturally, the rich peasants themselves have not changed. If we say that they have changed, it is a change in their political attitude. During the war years, we did not try to win over the rich peasants because they opposed land reform together with the landlords. With the victory of the Chinese revolution today, it is now possible to win them over. Times, conditions, and their surrounding environment have changed. As determined by the revolutionary situation as a whole, we carried out the policy of rent reduction instead of land reform. During the anti-Japanese war, we took over the surplus land and property of the rich peasants and distributed them to the peasants during the war of liberation, and we are now preserving the economy of rich peasants. Even if we had not done what we did during the war period, the rich peasants would not have supported us or stood on our side. Now that we have won the victory in war, we must preserve the economy of rich peasants in order to resume and develop production. Some peasants may feel dissatisfied regarding the issue, at present. With the development of production, they will eventually be pleased. This is what we call making a concrete analysis of concrete conditions, which is the quintessence of Marxism. Some people have studied for 2 years and have acquired a great deal of theoretical knowledge. However, they have not truly mastered Marxism-Leninism. This is quite possible. We can acquire correct ideas only through analyses of objective materials and practical conditions after studying the Marxist-Leninist way of thinking. This is also the case in writing articles and doing any work. Naturally, it is necessary to read books and acquire more knowledge. But we cannot say that it is a good thing to merely read a lot of books. After reading books, you should be good at applying theory to practice. It would be a fine thing if you could read a lot of books, acquire a great deal of knowledge, and be good at applying theory to practice.

You should also learn to write. The comrades with poor cultural and educational backgrounds can neither write nor organize articles. This is a weak point. The Institute of Marxism-Leninism attached great importance to writing in the first term [di yi qi 4574 0001 2601]. It should also attach great importance to writing in the second term [di er qi 4574 0059 2601]. Those who cannot write should learn to do so and those who can should practice writing relatively complicated articles. Writing is like mastering a weapon. We should be able to raise questions and explain them clearly.

In the Institute of Marxism-Leninism our principal task is to study theory. We should still engage in practical work to genuinely practice and apply this theory. If we succeed in applying this theory in independently handling problems and carrying out our work at our posts, this shows that we have attained some success in studying Marxism-Leninism.

Those lacking theoretical knowledge should learn theory and those lacking a cultural background should acquire general education. Moreover, those who do not have a strong party spirit, who have ideological deficiencies, and who have a poor sense of organization should also come to study.

You should strive to become people who have both theoretical knowledge and general education, who are not arrogant, and who are ideologically sound and honest and upright in their ways. Only in this way will you be well received by the masses. If, in spite of your theoretical knowledge, you are very proud, look down upon other people, and are fond of putting labels on them, you will not be well received by them. Therefore, although you will soon graduate, you should also straighten out your ideas. The more theory and knowledge you have, the more you should be aware of your deficiencies. If, after learning some Marxism-Leninism, you have not become more modest, but more arrogant, this shows that you have not learned the most important thing in Marxism-Leninism. After learning something, one will strengthen one's confidence and will be able to handle problems, uphold the truth, and criticize errors. This, naturally, should not be regarded as arrogance.

Our comrades should be honest and upright in their ways and those who have shortcomings should overcome them. We should be aware that we are under the leadership of the party and that we should do everything for the party and the people. We should thoroughly solve this question of understanding. After learning Marxism-Leninism, we should overcome individualism, liberalism, commandism, and bureaucratism. The party branch and the institute should pay attention to this problem in their work. This also includes the question of how to adopt a correct attitude toward work assignments. The students of the Institute of Marxism-Leninism should obey the assignments of the organization. It is all the same no matter where you go and what you do. You should not say that you will not go because the place or the work is not good. Nor should you say that since you have theoretical knowledge and are wiser than others, you should not be given that job.

Some comrades say that they do not have sufficient ability to carry out theoretical research work. This is not a manifestation of arrogance but it does show a lack of confidence. Since you have learned Marxism-Leninism in the Institute of Marxism-Leninism, you should strengthen your confidence. It is a manifestation of progress if, being afraid that you will not be able to do your work well, you work cautiously and conscientiously. You will be able to do your work well. But you must have confidence. If your ability is insufficient this year, it will be sufficient next year. If it is still insufficient next year, it will be sufficient after a few years. Nobody should undertake jobs only after acquiring sufficient ability.

Being a very weak link in our party, propaganda and theoretical work must be strengthened. Lenin once edited the newspaper ISKRA. (Footnote 2) (ISKRA was the first nationwide Marxist newspaper established by Lenin abroad in 1900. It was also called the old ISKRA. Lenin personally wrote articles for the newspaper and did a lot of work for its regular publication and its delivery to, and distribution in, Russia. The newspaper played an important role in overcoming the handicraft way in the workers' movement, in smashing the "economic faction," and in organizing Marxist political parties. At its second congress in 1903, the Russian Social-Democratic Workers' Party adopted the newspaper as the organ of the party Central Committee and elected Lenin, Plekhanov, and Martov as its editors (Martov refused to participate). After the meeting, in violation of the resolution of the congress, Plekhanov acted presumptuously by transferring three Mensheviks into the editorial department. Lenin disagreed with this action and he withdrew from the editorial department. From issue No 52, the newspaper became a Menshevik paper, also called the new ISKRA.) The most important propaganda work in our party has been carried out by Comrade Mao Zedong. I have also contributed a little. We have personally read many editorial manuscripts of RENMIN RIBAO. Propaganda work is a glorious post. It is wrong for people to refuse to do propaganda work. It is unreasonable for those graduating from the Institute of Marxism-Leninism not to be able to do propaganda work. In doing propaganda work, we do not engage in empty talk but should deal with practical problems.

You will meet a lot of problems in propaganda work. You should speak, write, and make explanations. This precisely requires you to apply the Marxist-Leninist theory that you have learned. You study at school and you do fieldwork by engaging in propaganda work. After studying for a certain period and engaging in propaganda work for a certain period, you will be in a better position to undertake other jobs later. Our party needs many people to engage in theoretical research work. If the Chinese party does not have many theoretical cadres, it will not be able to lead such a big country to socialism.

PARTY FORUM STRESSES MARXIST THEORY STUDY

OW261305 Beijing XINHUA Domestic Service in Chinese 1355 GMT 25 Nov 85

[By reporter Zhao Huazou]

[Text] Chengdu, 25 Nov (XINHUA) -- A national forum on theoretical work was held in Chengdu, Sichuan, by the Propaganda Department of the CPC Central Committee, from 18 November to 24 November. The meeting discussed how to implement the demand, put forward by Comrade Deng Xiaoping at the National Conference of Party Delegates, that both new and old cadres study Marxist theory.

The delegates at the forum held: The "new demand" put forward by Comrade Deng Xiaoping to the whole party that cadres study Marxist theory is of far-reaching significance. There is no mistaking at what his demand is aimed. All the comrades in the party should understand this new demand and realize its urgency.

The delegates held that the "new demand" put forward by Comrade Deng Xiaoping is based on a new reality, namely, that in the course of building socialism with Chinese characteristics, it is necessary that many new questions be explored and answered. In the course of reform of the economic structure, it is necessary to persist in opening to the outside world and invigorating the domestic economy. At the same time, it is necessary to prevent corruption by capitalist thinking and to keep to a correct, socialist orientation. In the succession of new cadres to the old cadres, it is not only necessary to ensure organizationally the continuity of our party's policies, but it is also necessary for the middle-aged and young cadres to succeed well the old comrades and carry forward the old comrades' spirit of keeping firmly to the orientation of revolutionary struggle. We will be unable to find correct solutions to these questions unless we study, understand, and have a good grasp of basic Marxist theory.

In view of some of the ideological hurdles in the present cadres' theoretical studies, the comrades at the forum pointed out the need to understand and handle correctly the following three relationships.

1. It is necessary to understand correctly the relationship between basic Marxist theory, which is the guidance of our actions, and the changes that have occurred in certain Marxist conclusions as a result of different historical conditions. We must not deny the necessity of studying basic Marxist theory on the pretext that certain Marxist conclusions have changed.
2. It is necessary to handle correctly the relationship between theoretical study and the study of specialized knowledge. In the new period of construction and reform, the study of specialized knowledge is especially important, but we neither must neglect the study of theory. Theory is the guidance of our actions in the course of building socialism. Unless we study theory, it will be very difficult for us to adhere to principles, make systematic approaches, and have foresight and creativity in our work.

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3. It is necessary to handle correctly the relationship between study of the party's principles and policies and the study of theory. The basic principles and policies laid down since the 3d Plenary Session of the 11th CPC Central Committee are products that combine basic Marxist theory and the realities of China's construction. Our party's many important documents have enriched and developed Marxism, and we should put emphasis on studying them. Studying basic theory well will help us thoroughly understand and correctly implement the party's principles and policies. We should integrate study of basic theory with the study of the party's principles and policies, and should not substitute the study of the party's principles and policies for the study of theory.

The comrades present at the forum earnestly hoped that the principal responsible persons of party committees at all levels will set a good example in theoretical study. Wang Huide, deputy head of the Propaganda Department of the CPC Central Committee, spoke at the end of the meeting. More than 100 persons attended the meeting. They included responsible persons of party propaganda departments and lecturer groups of provinces, autonomous regions, municipalities, and eight cities; comrades of the Propaganda Department of the General Political Department; and comrades of various central departments and commissions concerned.

PROPAGANDA OFFICIAL ON PUBLICIZING MARXISM

OW220758 Beijing Domestic Service in Mandarin 2315 GMT 19 Nov 85

[Speech by Wang Huide, deputy director of the Propaganda Department of the CPC Central Committee, at a recent national symposium on broadcasting theories for publicity purposes: "Conducting Education and Propaganda on the Basic Theory of Marxism Is a Fundamental and Long-term Task in our Theoretical Propaganda Work" -- read by announcer; date not given]

[Excerpts] This national symposium on broadcasting theories for publicity purposes, sponsored by the Central People's Broadcasting Station, will discuss how to implement the guidelines of the National CPC Conference and broadcast Comrade Xiaoping's important instructions to the conference on the need for veteran and young cadres alike to study Marxist theory and bring it in line with realities; and will also through these discussions, improve and intensify the work of radio stations in propagating theories. Therefore, I think this symposium essential.

China is now studying and implementing the national CPC conference guidelines. The conference put forward new requirements and tasks for carrying out theoretical work. At that conference, Comrade Deng Xiaoping urged all party cadres to conscientiously study Marxist theory and bring it in line with new realities. These are important tasks facing the party in a new situation.

In order to help cadres and the masses in studying theories, propaganda work should take new forms, focus on new ideas, and play a greater guiding role. The tasks of radio stations in propagating theories are not limited to guiding cadres and the masses in studying theories. They cover more, including the dissemination of important areas of learning, such as philosophy and social science, in order to broaden the knowledge of the Chinese cadres. However, it is my opinion that education and propaganda on the basic theory of Marxism should be made a fundamental and long-term task in our theoretical propaganda work.

Through this symposium, we hope to further advance the work of radio stations in broadcasting theories for publicity purposes, and wish the theoretical study programs of radio stations even greater success and a larger audience.

LECTURES, IDEOLOGICAL WORK SHOULD BE COMBINED

HK260907 Beijing GUANGMING RIBAO in Chinese 17 Nov 85 p 1

[Commentator's article: "Do Not Forget To Educate the Students While Giving Lectures"]

[Text] Here are several short stories about the teachers in the Chemistry Department of Jilin University conducting ideological education of students. Although the matters involved are insignificant, they can greatly inspire people.

There is a viewpoint that the ideological and political work in universities is only the responsibility of political work assistants and CYL organizations and has nothing to do with the teachers teaching specialized courses. The responsibility of teachers is only to do a good job in giving lectures. This viewpoint is obviously too partial. In his article "On Teaching," Han Yu of the Tang Dynasty said: "The job of a teacher is to preach morality, teach pupils, and answer queries." Here we are not analyzing the content of the "morality" Han Yu mentioned. Nevertheless, it is desirable that he not only did not regard teachers purely as pedagogues whose job is just to "teach pupils" and "answer queries," but also regarded cultivating students' moral integrity as the primary responsibility of teachers. The most important responsibility of teachers should be cultivating people, which means fostering the outstanding qualified people who are both virtuous and talented as well as both Red and expert. Judged in this sense, the teachers in the Chemistry Department of Jilin University are very farsighted and truly versed in teaching methodology, as they do not forget to cultivate the students' moral integrity while lecturing them.

One of the important experiences of the teachers in the Chemistry Department of Jilin University in conducting ideological education among students is to link up the ideological work with professional study and to integrate education in ideals and the future with the students' professional development. This is more realistic and effective than giving them empty theoretical talks or political lessons. Judged from this angle, teachers responsible for specialized study are really in a better position than those comrades specializing in ideological and political work. If the teachers of all the universities and colleges across the country conduct the ideological education of students like the teachers in the Chemistry Department of Jilin University, some more gratifying changes will surely take place in the mental attitude of our new generation of university students.

TRADE UNIONS TO STRENGTHEN WORK IN CITIES

HK251450 Beijing GONGREN RIBAO in Chinese 15 Nov 85 pp 1, 2

[Document: "Opinions on Strengthening Urban Trade Unions' Work in the Course of Economic Structural Reform -- Approved at the 3d Meeting of the 10th Executive Committee of the All-China Federation of Trade Unions (13 November 1985)"]

[Text] The National Conference of Party Delegates in September approved the "proposals of the CPC Central Committee on drawing up the Seventh 5-Year Plan for national economic and social development," thus presenting a grand scene of China's socialist modernization for the next 5 years and greatly stimulating the fighting spirit of China's working class.

To realize the Seventh 5-Year Plan, it is necessary to put economic structural reform above everything else, to provide an excellent economic and social environment for it, and to lay a foundation for a new economic structure.

Since the 2d Meeting of the 10th Executive Committee of the All-China Federation of Trade Unions, trade unions at various levels have straightened out their guiding principles, adopted an overall viewpoint, and done a great deal of work. The position and role of trade unions in state and social life are increasing. Trade union work is becoming livelier. However, the ideology, organization, and work of trade unions at various levels, and of their leadership organs in particular, cannot keep pace with the development of economic structural reform and are not suited to the task they shoulder. Therefore, on the basis of strengthening basic-level trade union work, we should put on the agenda the work of strengthening the leadership organs of trade unions, particularly urban trade unions.

1. Enhance Our Understanding, Have a Clear Perception of the Importance and Necessity for Strengthening Urban Trade Union Work

Cities are a product of the social division of work as well as of commercial and economic development. They are the pivot of urban and rural economic network. As Lenin said: "Cities are the centers of the economy, politics, and the people's spiritual life and are where the main forces for progress lie." Economic structural reform will enable cities to become the centers of industry, trade, finance, communications, information, science, education, culture, and politics, and to bring into full play their various functions, and in particular their leading role in socialist modernization. The change in the position and role of cities will have an impact on the change in the position and role of urban trade unions. Urban trade union work will become increasingly important. Their tasks will become increasingly arduous.

In addition, urban trade unions are in a very important position in terms of the organizational structure of all trade unions. The majority of the members of the working class and the majority of basic-level organizations of trade unions are in the cities. Therefore, strengthening urban trade union work has an important bearing on the construction of all trade unions.

The crux of strengthening urban trade union work is to further define the guiding principles for this work, to closely combine this work with the four modernizations drive and economic structural reform, to bring into full play the strong points of urban trade unions in urban reform, to strengthen the position and vitality of urban trade unions in political, economic, and social life, and to bring into full play the role of urban trade unions in building the two civilizations. To meet these needs, it is necessary to further emancipate the mind, to break away from old conventions, to study new situations and new problems in urban reform, and to solve the following three problems well:

First, it is necessary to change the idea that cities are merely industrial bases and to foster the mentality that cities should be built into open-type, socialized, and multifunctional centers of economic and social activity.

Second, it is necessary to correctly handle the relationship between urban trade unions' study and participation in urban reform and construction and their work of enlivening enterprises and giving specific guidance to basic-level units. Only by studying and participating in urban reform and construction can urban trade unions do a good job in enlivening enterprises and giving specific guidance to basic-level units; and only through enlivening enterprises and giving specific guidance to basic-level units, can urban trade unions have a good grasp of the overall situation and help promote urban reform and construction.

Third, it is necessary to further clarify that the leading organs of trade unions should represent and work for the interests of staff members, workers, and basic-level units.

Based on this understanding, urban trade unions should do a good job in the following three aspects in order to bring their role into full play while participating in urban reform: First, urban trade unions should take part in management and in the work of drawing up major policies for urban economic structural reform and construction; second, they should pay attention to the overall situation in cities, help promote the two civilizations, and bring into play their role in building new-type socialist cities; and third, they should continue to strengthen the building of basic-level trade unions and to attach importance to work in basic-level units.

2. Participation in Management and in Drawing Up Major Policies for Urban Economic Structural Reform and Construction

Urban trade unions should participate in the management of state and social affairs on behalf of staff members and workers. The Chinese Constitution provides: "According to the law, the people can manage state affairs, economic and cultural undertakings, and social affairs by various means and in various forms." These means and forms include direct and indirect participation in the management of state and social affairs through the activities of various social organizations. The trade union is the social and political organization of the working class. The activities of the trade union are closely connected with the national economy and the social and political life of the state. Lenin pointed out: As the class and mass organization of the working class, the trade union is a belt with which the party establishes ties with staff members and workers, as well as the closest and indispensable cooperator of state power. Without the trade union as a foundation, it would have been impossible for the state to perform its functions. It is necessary to "bring into play the role of the trade union in the economic and state organs of the proletarian state."

The federation of urban trade unions and the industrial trade unions affiliated with it, including prefectural and county trade unions, are the leading organs of urban trade unions. They should be able to gather the wisdom of staff members and workers, to reflect their wishes and demands, which will serve as an important basis for the party and government to work out policies and plans for reforms, and to embody the democratic right of staff members and workers to participate in the management of state and social affairs. These are the requirements of urban economic structural reform. Urban trade unions should be able to meet these requirements.

To provide the necessary conditions for urban trade union organizations to play a better role in state and social life as well as in economic structural reform, the secretariat of the CPC Central Committee and the State Council recently agreed to: 1) Inform the All-China Federation of Trade Unions to participate in the meetings or work on the study and formulation of plans for economic and social development and major principles and policies involving the fundamental interests of staff members and workers; 2) invite urban trade unions to participate in the leading organs in charge of major reforms involving the interests of staff members and workers; and 3) encourage industrial departments and localities to abide by the above principles and allow industrial and local trade unions to participate in such activities as mentioned above. In line with this spirit, urban and industrial trade unions can participate in urban economic, scientific, technological, and educational reforms and, in particular, in the leading organs in charge of major reforms involving the interests of staff members and workers. They should reflect the wishes and demands of staff members and workers through various channels including the People's Congress and the CPPCC, and should make suggestions while examining and discussing plans, policies, and regulations. In addition, they should bring into play their supervisory role in society so as to promote economic structural reform.

3. Urban Trade Unions Should Take Into Account the Overall Situation in Cities, Attach Importance to Building the Two Civilizations, and Bring Into Play Their Role in Building New-Type Socialist Cities

As the class and mass organization of the working class, the trade union is one of the important social forces in urban political, economic, and social life. It should bring into full play its characteristics and strong points in building the two civilizations and in urban reform and construction.

Urban trade unions should energetically help promote urban economic construction and social development, participate in drawing up strategic plans for urban economic and social development, and encourage staff members and workers to make suggestions on urban construction and development. Urban trade unions can carry out inter-regional and inter-professional socialist labor emulation campaigns and activities for making rational suggestions. They should bring their role into play in improving enterprise management, tapping the potential of enterprises, dredging the channels of circulation, achieving better economic results, improving the ability to increase foreign exchange income through exports, and increasing urban revenues. They should promote urban technical innovations and technical progress and encourage skilled workers, specialists, and academics in different fields to carry out technological cooperation and to provide technological information for each other. In particular, they should help backward enterprises with their technical innovations. Urban trade unions should bring their role into play in developing the tertiary industry, in strengthening the trades that serve the urban economy and urban society, and in supporting agriculture and township enterprises. They should do a good job in trade union work in joint ventures and foreign-capital enterprises, in promoting economic and technological cooperation between China and foreign countries, and in protecting the legal rights and interests of staff members and workers.

While promoting urban economic development, urban trade unions should become an important force in improving the livelihood and welfare of staff members and workers. Urban trade unions should participate in the reform of the social protection system and the policy on social welfare, in helping local governments plan and develop various welfare undertakings, and in encouraging enterprises to run collective welfare. Urban trade unions can run the tertiary industry for staff members and workers, mobilize the masses to work for their own well-being, carry out activities to support the poor, run workers' sanitariums, cooperate with the departments concerned in setting up management and service organizations for retired staff members and workers, and carry out price supervision activities. Urban trade unions should help small enterprises, shops, and schools run small-scale welfare facilities and should solve the practical problems of staff members and workers, such as exchanging work and apartments for those who live far from their units. Urban trade unions can also encourage staff members and workers to carry out the activities of beautifying the urban environment and preventing environmental pollution.

Urban trade unions should do a good job in building socialist spiritual civilization in cities. They should conduct investigation; understand the ideological trend of staff members and workers; carry out ideological and political work; and form a staff and worker contingent that has ideals, morality, cultural knowledge, and discipline. In particular, they should give staff members and workers education in the present situation and basic policies so that they can have a better perception of the economic and political situations in the country, correctly understand the policies of enlivening the domestic economy and opening up to the world, and consolidate the political situation of stability and unity and the economic situation of steady development. They should give staff members and workers education in ideals, discipline, the legal system, and professional ethics, and carry out book-reading activities; the activities of learning from model workers; the activities of "five stresses, four beauties, and three loves;" and the activities of making oneself a paragon of virtue and learning, running business in a civilized way, and providing top-quality service.

Urban trade unions should pay close attention to scientific research and educational, cultural, and health work and help promote this work in cooperation with other social organizations. Urban trade unions should put their cultural and educational cause in their urban development plans and make full use of their cultural, educational, and sports centers to carry out various lively activities. Through these activities they can enrich the spiritual life of the masses and educate staff members and workers to foster collective, patriotic, and communist ideas and morality, to resist the influence of bourgeois ideology and other decadent ideologies, to oppose bourgeois liberalization, and to support the masses in combating corrupt and unhealthy tendencies such as ignoring the law, abusing power for personal gain, seeking personal benefit at the expense of the public, and harming the people's interests. All this will help transform the entire society in the image of the working class and bring about a fundamental change for the better in party style and the general mood of society.

4. Urban Trade Unions Should Enliven Enterprises, Strengthen the Building of Basic-level Trade Unions, and Strive To Serve Basic-level Units and Staff Members and Workers

The key link in urban economic structural reform during the Seventh 5-Year Plan period is to continue to increase the vitality of enterprises, and in particular, of large and medium-sized enterprises owned by the whole people. Urban trade unions should focus their attention on enlivening enterprises, strengthening the building of basic-level trade unions, and serving basic-level units and staff members and workers.

Urban trade unions should follow the arrangements made by the 6th Presidium meeting of the 10th Committee of the All-China Federation of Trade Unions, strengthen the democratic management of enterprises, and put into effect the democratic rights of trade union organizations and workers' representatives to examine policies toward enterprises, to supervise administration, and to protect the legal rights and interests of staff members and workers. They should help basic-level trade unions tap the vitality of enterprises, pay attention to various reforms in enterprises, and encourage staff members and workers to improve the quality of products, to reduce consumption of energy and raw materials, to speed up technological development, to promote technological progress, and to achieve better economic and social results. They should guide basic-level trade unions and enterprises in carrying out wage system reform; in adhering to the principle of division according to work done; in correctly handling the relationship of interests between the state, the collective, and the individual; rectifying the unhealthy tendency of abusing power for personal gain with regard to wage readjustment, promotion, and rewards in working for the interests of staff members and workers; in protecting their legal rights and interests, and in treasuring their initiative.

In strengthening the building basic-level trade unions, it is necessary to differentiate between the situations in different enterprises and undertakings and to give different guidance to solving different problems.

In strengthening work in basic-level trade unions, it is necessary to pay close attention to and carry through to the end the activity of building "homes of staff members and workers" and, on the basis of the achievements made, to sum up experience so as to fulfill the plan for this activity on schedule.

5. It Is Necessary To Improve and Strengthen Leadership and To Carry Out Well the Building of Urban Trade Unions

To keep pace with urban economic structural reform, it is necessary to strengthen the building of the federation of urban trade unions, industrial trade unions affiliated with it, and trade unions at the prefectural and county levels.

First, it is necessary to do a good job in building the leading groups of trade unions. According to the requirements of Circular No 40 (1985) of the Organization Department of the CPC Central Committee, it is necessary to select key leaders for leading organs in line with the echelon structure and to promote the replacement of old cadres by new cadres in order to ensure the continuity of work and the stability of the leading groups of trade unions.

Second, it is necessary to bring into full play the role of urban industrial trade unions. With the multifunctions of cities being brought into better play, strengthening the work of industrial trade unions has particularly important significance. Different industries and trades have different production skills, different working conditions, different living conditions for their staff members and workers and different staff and worker contingents. The experiences of many cities have proved that bringing into full play the role of industrial trade unions is good for reflecting the opinions and demands of the staff and workers of the industry concerned, for solving common problems in economic structural reform, for carrying out mass activities with special features for fulfilling tasks in production and work, for exercising face-to-face leadership in basic-level units, and for concentrating the efforts of the federation of urban trade unions on studying and handling problems involving the overall situation. On the one hand, it is necessary to improve the vocational quality of the various departments of the federation of urban trade unions so that they can have a good grasp of the overall situation, exchange information, study policies, and play the role of advisory organs. On the other hand, it is necessary to strengthen leadership over urban trade unions so that they can reflect the situation in basic-level units. Structural reform of the federation of urban trade unions and the industrial trade unions affiliated with it should be carried out in different ways in light of the specific conditions of various cities. In addition, it is necessary to strengthen the work of prefectural and county trade unions so that they can bring their role into better play.

Third, it is necessary to strengthen theoretical and vocational study and to strengthen the research on policies. It is necessary to obtain first-hand material through investigation in basic-level units, to make a comprehensive analysis of the material obtained, to put forward practical suggestions, to improve the ability to participate in management, and to come to grips with the essentials in work.

Fourth, it is necessary to improve work style and work methods. It is necessary to concern oneself with major affairs and the overall situation, to prevent and overcome the tendency of being bogged down in routine matters, to give face-to-face guidance to basic-level units, and, in particular, to give help to basic-level units in terms of policies and ideology. In offices, it is necessary to establish the cadre responsibility system and the assessment system, to improve the quality and efficiency of work, to strictly forbid unhealthy tendencies and dishonest practices, and to build urban trade unions into "homes of staff members and workers" worthy of the name.

JINGJI GUANLI STRESSES ENTERPRISE MANAGEMENT

HK261455 Beijing JINGJI GUANLI in Chinese No 10, 3 Oct 85 pp 3-6

[JINGJI GUANLI commentator: "Strengthening Enterprise Management Is a Basic Way of Developing China's Economy at the Present Time" -- edited by Ding Jiatiao]

[Text] China's current economic situation is good. On the basis of good harvests for 6 consecutive years, agricultural production has again seen a bumper harvest.

Industrial production has continued to expand, with the ratio between light and heavy industry becoming more proportionate, and with output value, profits and taxes all increasing at the same time; the national key construction projects are also doing well, and progressing more quickly than before; urban and rural markets are flourishing and lively, with a general increase in the retail sales of all kinds of products; the state's financial income has increased to a relatively great extent, with the state of finance and banking taking a further turn for the better. In particular, the reform of the urban economic system, prices, and wages is going ahead in a planned and smooth manner. However, certain contradictions and problems in urgent need of diligent solution still exist in the sphere of China's economic development. The fundamental path to solving these contradictions and problems lies in continuing to further our policies of reform, opening and enlivening, but at the same time making great efforts to improve and strengthen enterprise management, and increase the economic efficiency of enterprises.

Strengthening Enterprise Management Constitutes Both an Urgent Task for the Present and a Long-term Strategic Task

The importance and urgency of making efforts to improve and strengthen enterprise management can be seen mainly in the following three spheres:

First, we are currently facing an important historical period in the development of the national economy -- starting from 1986, the implementation of the Seventh 5-Year Plan, and the consequent construction of a firm basis for economic development in the 1990's. The tasks set out in the Seventh 5-Year Plan are formidable and difficult. They consist of, first, basically accomplishing the task of reforming the whole of the economic system, changing the economy from its old state of stagnation to a new economic model full of vigor and vitality. To this end, it is necessary to demand a great increase in the actual financial strength of the state, the potential power of enterprises, and the endurance of the masses. Second, maintaining a certain scale of investment in fixed assets, building a number of key construction projects, and hastening the technological transformation of existing enterprises. To this end, it is necessary to have funds, materials and foreign exchange reserves. Third, on the basis of consistently increasing economic efficiency, ensuring a normal speed of economic development and further improving the material and cultural lives of the masses. Looking at the demands placed on us by the three basic tasks set out above, our present conditions are highly unbalanced in many respects. We lack funds, materials and foreign exchange, energy resources and communications are tight, and it is impossible to count on expanding the scale of investment in fixed assets, or to rely on large quantities of imports. Only by putting our efforts into improving and strengthening enterprise management, and by fully exploiting the potential power of existing enterprises through the technological transformation of key processes, can we greatly enhance the economic efficiency of these enterprises. This is the basic way to solve the above contradictions.

Second, looking at the current state of enterprise management, it is highly unsuited to the development of socialized mass-production and the demands of the four modernizations. For a long time now, a considerable number of enterprises have actually relied on the state "taking every possible care" of them; depending for their survival on low-cost fuel, materials and wages, and on a "seller's market," in which supplies do not meet demand due to excessive speed of increase in the scale of investment in fixed assets and consumption funds. Some enterprises, though they seem on the surface to be producing quite well and creating quite a lot of profit and tax, the "three dependencies" above hide the low standard of their management. As soon as there is a change in domestic and foreign markets, and the cost of energy, raw materials and wages goes up, their weakness and inability to cope becomes obvious.

At present, even the minimum basic management work in many enterprises is done poorly. No records of work are kept, there is no budget for consumption, no fixed wage budget, no standards for quality, and no cost accounting. These phenomena exist to differing degrees in many enterprises. Still more enterprises have little notion of the concept of the market, efficiency, and state policies. Such advanced management methods as market research, information feedback, overall quality control, comprehensive economic accounting, value management, and goal management are far from being put into general practice, and the educational and skill level of leading cadres and staff and workers is relatively low. This situation exists even in some enterprises that have already been reformed.

Third, since the last quarter of last year, there arose in the national economic development the problem of "three fasts and one high." That is, excessive speed of increase in the scale of investment in fixed assets and in consumption funds, leading to an abnormally high rate of industrial growth. This leads, in turn, to: decreased quality in industrial products; a rise in consumption of materials; an increase in product cost; some increase in the rate of loss in whole-peopie-owned industrial enterprises; repeated production of technologically backward products (production of which had already been ordered to cease); equipment falling into disrepair; and an increase in industrial accidents. The occurrence of these problems was due to incorrect guiding ideology, such that output and profit was pursued to the neglect of product quality and socioeconomic efficiency, by relaxing control on economic management. When changes occurred in external conditions, attention was not directed inward nor efforts made to improve and strengthen enterprise management. Instead attempts were made to shift the burden onto the state and the consumers.

In Order To Strengthen Enterprise Management, the Two Links of Quality and Consumption Must Be Grasped Tightly

Comrade Zhao Ziyang has pointed out that "the main problems existing in China's industry are, first, poor quality, and, second, high consumption. In both respects we are way behind advanced foreign standards. Herein lies the weakness of China's industry. When we talk about economic efficiency, enterprise quality, and labor productivity, we must consider mainly these two problems." In strengthening enterprise management, therefore, we must tightly grasp the two links of quality and consumption.

Let's first talk about quality. One old problem in our economic work is the one-sided pursuit of quantity to the neglect of quality. This year, the problem of neglect of quality and the general decrease in quality of products has been particularly serious. In the first half of this year, the stability or improvement rate of the major industrial products over the whole country was only 73.4 percent, an 11.6 percent drop compared with the same period last year. Not only did the quality of products in tight market demand drop, but also that of raw materials and mechanical goods. Even a small number of famous-brand high-quality goods failed to come to standard. In some relatively economically advanced areas and sectors that had shown good management in the past, there was an even greater drop in product quality. There were successive incidents of unlawful, and previously rare, practices, such as forging trade marks, using false brand names, and other falsifications. This situation is obviously connected with the fact that demand exceeds supply on the market and that the state's assessment of goals to be set for enterprises is not sufficiently scientific. But the main problems lie in weak enterprise management. Particularly the lack of quality consciousness, an insufficient grasp of the legal system, and lack of correct thought concerning the relationship between quality and quantity, on the part of enterprise leaders.

When dealing with the relationship between quality and quantity, one should follow the principle of "putting quality first," and increase production on the basis of maintaining high product quality and suiting products to market needs. When a contradiction arises between quantity and quality, for instance, when a product is in great demand and supply does not meet it, quantity should still be subordinate to quality. Under no circumstance should quality standards be lowered in pursuit of quantity. The issue of quality is one that has a bearing on the success or failure of the four modernizations and the life or death of enterprises. "Putting quality first" is an important part of correcting economic work and leading thinking. Any talk of economic efficiency should be based on quality. Implementing the economic responsibility system must be centered on quality, such that one first carries out a quality economic responsibility system. The linking of wages to economic efficiency must also be carried out by first linking them with quality. In quality control, "management" and "strictness" must be stressed. Not only must production be managed, but also circulation; not only what goes on inside a factory, but what goes on outside it; not only the enterprise but also the market; quality must be stressed at all levels, including production, transportation, sales, and service.

Over the past few years there has been some success in carrying out overall quality control, the scope has not been wide enough, and not much has been done really well. The problem of laying stress on form rather than concrete results continues to exist. Therefore, quality control must be further implemented on the basis of summing up experiences, such that all enterprises, from renewal of products to technological reform and staff training; from basic to finished products and accessories; from raw materials investment to the time the products leave the factory; from the purchase of raw materials to the selling of products; will establish an overall system of ensuring quality, and carry out a strict quality responsibility system.

At the same time, we must perfect and tighten up the economic legal system, and carry out strict quality supervision. When an enterprise pursues production and output value by lowering its quality standards, production must be ceased and rectification carried out within a limited period of time. When pressure to complete production and output value quotas is too high, causing equipment problems and a consequent drop in quality, the quotas should be lowered. In those enterprises that lack quality standards or experience, or the necessary means of checking quality, production and sales should be forbidden. In those cases of stealing equipment or materials, falsification and other unlawful activities, severe punishment should be meted out according to the law. Particularly severe punishment should be given to criminals who manufacture and sell products harmful to the lives and safety of the people. In no way should indulgence be shown to such people, nor should economic sanctions be used as a substitute for the proper punishment.

Now let's talk about consumption. In overall industrial production costs, the ratio between materialized labor (including consumption of energy resources and raw materials, costs of equipment deterioration and large-scale repair, all of which will hereafter be referred to as material consumption), and living labor costs (including wages, bonuses, and welfare benefits, hereafter referred to as worker consumption), directly reflects the level of management and technology. In advanced countries, this ratio is generally 50:50, and sometimes 60:40. In China, however, the nationwide figure for enterprises within the budget in 1984 was 85:15, while the proportion of materialized labor was even higher in the metallurgy, chemical, oil processing, textile, and light industrial sectors. There has been little change in the past 30 years or so in this situation of high consumption and low wages, but over the last few years there has been an increase in the proportion of material consumption. In addition to the price fluctuation factor, this has mainly been due to low standards of enterprise management, backward technology and poor staff and worker quality. Henceforth, we must both increase the proportion of wages in the cost structure, and also increase the renewal rate. The main way of doing this is to make great efforts to lower consumption of energy resources and raw materials.

At present, not only is China's industrial production consumption level way above that of advanced foreign countries, there are also wide gaps between enterprises of the same sectors in China itself. In Shanghai, the energy consumption for each 10,000 yuan of industrial output value is 2.52 tons; in Jiangsu the figure is 3.9 tons, while the average level nationwide stands at 7 tons. China has a total of 1,200 enterprises producing nitrogenous fertilizer; only 4 of these consume fewer than 1.1 million kilocalories of ammonia a year; 238 consume fewer than 1.5 million kilocalories, while there are as many as 640 that consume more than 1.7 million kilocalories. Some even consume as much as 2.3 million kilocalories. It can be seen from this that it is not only highly necessary, but also entirely possible for China's industrial enterprises to reduce their material consumption, and this constitutes an important path to exploiting the potential of existing enterprises.

The reform of cost structure, the lowering of the proportion of materialized labor consumption, and the gradual raising of the proportion of living labor consumption, should be seen as a major policy in our economic work and an important aspect of strengthening enterprise management. By making efforts to reduce material consumption, we can not only markedly increase the income of both enterprise and state, but can also shift part of the money saved to living labor by improving workers' wages, and promoting an improvement in management and technological standards within enterprises. We should make great efforts in this direction, and do our best within the next few years, or a longer period of time, to change the ratio between materialized and living labor consumption to 60:40 or 50:50.

For an enterprise to lower materialized labor consumption, it must grasp both "management" and "technology." Particular attention should be paid to strengthening management. An enterprise should define a scientific and rational consumption level based on its products and processes, and define also a rational reserve figure based on market supplies. It should establish responsibility systems for material purchase and upkeep, materials that fail to meet quality standards will not be bought, stored or used. Those that are purchased and stored should be quantified, examined, registered, and strict check kept on the materials and their release. Bonuses should be given to those who conserve raw materials, while those who cause waste and loss should be punished.

To strengthen enterprise management centered on raising quality and lowering consumption, it is first necessary to diligently strengthen all basic work. Mainly standardization, record-keeping, figure-setting, information, regulation systems, basic education, and so on. Over the past few years, through enterprise rectification, there has been a general improvement in basic work, but according to statistics, only 10 to 15 percent of enterprises have not done good or stable enough basic work, and another 15 to 20 percent have not yet established any of the necessary basic work. If this is not done, or the basic work is not carried out properly, comprehensively, or strictly enough, there is no guarantee of being able to raise quality and reduce consumption, and the implementation of modern working methods is out of the question. Standardization work consists mainly of making efforts to improve the ratio between national and regional standards, and actively adopting international standards. The work of record-keeping consists mainly of improving record-keeping and examination methods, making them more strict and precise. Figure-setting work should concentrate mainly on carrying out an advanced and rational figure-setting system based on personnel, materials and funds. Regulation work, meanwhile, should consist mainly of setting up good and comprehensive sets of vertical and horizontal links forming a mutually-coordinating economic responsibility system. Information work should concentrate mainly on perfecting an information network with precise figures and up-to-date information. Basic education work should consist mainly of making efforts to raise the political, cultural and technological levels of staff and workers, and increasing leading cadres' ability to make decisions and administrate.

The Relevant Departments Should Create Good External Conditions for the Strengthening of Management

The strengthening of enterprise management depends mainly on the enterprise looking inwards, raising quality, and doing good and diligent work. At the same time, it is necessary for society and the departments who oversee enterprises to create good external conditions. These include the provision of information, policies, and standards; the exchange of experience; supervision and examination; and so on. There are currently several problems in urgent need of solution:

1. The continuing enlivenment of large and medium-sized enterprises. At present, large and medium scale enterprises have a rather heavy tax burden, while the profits they keep are on the low side. They have many difficulties, and lack vitality. Statistics show that of the net output value of independently-accounting industrial enterprises over the whole country in 1984, taxes amounted to 72.3 percent in enterprises owned by the whole people, and 48 percent in collective enterprises. Wages and benefits amounted to 20.6 percent in enterprises owned by the whole people, and 39.9 percent in collective enterprises. It can be seen, then, that enterprises owned by the whole people have heavier burdens and difficulties than collective enterprises, especially in medium and large scale enterprises. Such enterprises shoulder the formidable tasks of producing important goods affecting the national economy and the lives of the people, and providing the state with much of its tax income. There is an urgent need to further broaden policies toward them, expanding their autonomy and making them, within the bounds of the national program, genuinely autonomous economic units responsible for their own profits and losses and possess the power to transform and develop themselves.
2. Policies that encourage the raising of quality and the reduction of consumption must be introduced. For example with regard to prices, high quality products should have their prices raised, while inferior products should have low prices. In aspects such as the supply of energy and raw materials and the arrangement of transportation, priority should be given to production of high quality and export products. Appropriate rewards should be given to those who make marked achievements in the improvement of quality and the lowering of consumption. The scope of such economization rewards should be broadened, and, in addition to the 10 national awards for economization on fuel and raw materials, rewards should be made for economizing on such raw materials as steel, iron, copper, lead, soda, caustic soda, rubber, wood pulp, and textile raw materials. All of these are in short supply and have a great effect on the costs of enterprises. Rewards may be given proportionately to the amount of value saved, and included in the cost.
3. The problem of enterprises having too heavy a burden should be solved thoroughly. At present, all spheres of society are demanding things from enterprises, and there is a strong tendency for apportioning expenses, raising funds, and asking for financial assistance. All of this seriously infringes on the normal powers and interests of enterprises. According to surveys, the amount of money extracted by society from enterprises in this way amounts to more than 15 percent of the total profits retained by enterprises. This problem has reached a stage where it demands immediate attention. Clear rules must be laid out, and a line drawn between reasonable and unreasonable demands. Necessary fund raising must be carried out on the basis of rationality, strength, and benefit.
4. The economic legal system must be perfected and strengthened. Those laws that have already been proclaimed, such as the "economic contract law," the "accounting law," the "trademark law," the "provisional regulations on permits for the production of industrial products," the "food hygiene law," and so on, must be strictly enforced.

Those laws urgently needed at present, such as the "quality law," the "record-keeping law," the "mineral products and natural resources law," the "enterprise law," and so on, should be drawn up and proclaimed as soon as possible. We must reach a situation in which there are laws to be relied upon, unlawful activities are corrected, and laws are strictly enforced.

5. The system for assessing quotas for enterprises should be improved, giving product quality (including variety) and material consumption a prominent place in the quota system. In order to encourage enterprises to narrow the gap between their standards and international standards, when assessing the quotas for enterprises' quality, consumption, labor productivity, output value, costs, profits, and other economic interests, calculations should be based not only on domestic prices, but on international prices.

MORE ON STATE COUNCIL CIRCULAR ON ADVERTISING

OW242034 Beijing XINHUA Domestic Service in Chinese 0145 GMT 23 Nov 85

[Text] Beijing 23 Nov (XINHUA) -- The General Office of the State Council issued a "circular on strengthening control over advertisements" to all localities and departments on 15 November. The circular noted: China's advertising business has made great progress in recent years and has played an important role in spreading information, promoting production, expediting circulation, providing guidance to consumers, invigorating the economy, offering conveniences to the people in their daily lives, and developing the international economy and trade. However, in the course of development, some irregularities have surfaced which deserve our attention.

The circular said: In China, advertisements are a means of spreading economic information as well as a form of socialist propaganda. Our advertisements should uphold the socialist orientation, display socialist mores and help to develop socialist material and spiritual civilization. Advertising agencies should strictly abide by the relevant state regulations. In order to strengthen control over advertisements, the General Office of the State Council has, in keeping with the guidelines of the instructions given by the party Central Committee and the State Council, stipulated the following requirements:

1. Advertisements in China should follow the four basic principles. Advertisements of all categories are not allowed to contain things that run counter to state policies and decrees or contain slanderous propaganda, things that are harmful to national dignity, or reactionary, obscene, evil, or superstitious materials. Wording in advertisements should not detract from national character or pander to low tastes. Advertisements that run counter to the abovementioned regulations should be immediately banned.
2. The contents of advertisements should be truthful and scientific. It is the social and legal responsibility of advertisers to guarantee the truthfulness and safeguard the reputation of advertisements. Each advertiser should be responsible for his own advertisements. Those who practice fraud, including appropriating trademarks of brandname products and deceiving consumers, should be called to account and punished. Those who bring serious losses and consequences should be penalized by law. Advertising agencies should carefully examine, in accordance with the relevant stipulations, the advertisements which their customers request be put up. They should strictly follow the requirements and show responsibility to the society and the people, so as to actively develop the advertising business while avoiding being used by people who practice fraud. Those who purposely violate the regulations and are found guilty of serious dereliction of duty will be held responsible. They will be sternly handled according to the law if serious consequences result from this.

3. All advertising agencies (including those engaged in full-time and part-time business) should register with the local administration for industry and commerce. Otherwise, they are not allowed to operate. Advertising sections of press units may handle advertising business only after they have obtained approval from the administration for industry and commerce. Reporters are strictly forbidden to canvass for advertisements under the pretext of gathering news, or to publish advertisements in the form of news reports and collect fees accordingly.

4. Approval from the administration for industry and commerce at and above the provincial level is required to advertise for foreign businesses. The advertising agencies should carefully examine the contents of the advertisements, strictly follow the relevant regulations on alien affairs, and adopt uniform approaches in dealing with foreigners.

5. People's governments at all levels should strengthen leadership over advertisements, and supervise and support the administration for industry and commerce in strengthening control over advertisements. All localities should instruct the administration for industry and commerce to sort out and examine the advertisements in their respective localities, earnestly study and solve the existing problems in advertising business, follow a correct direction of operation, and promote a sound development of advertising business in China.

BAN YUE TAN ON ABUNDANCE OF GOODS, PRICES

OW241315 Beijing XINHUA Domestic Service in Chinese 0144 GMT 22 Nov 85

[*"Full text"* of article by Li Feng titled: "Comment on 'Analyzing the Situation Based on Contents of Food Basket'" -- published in 25 November issue of BAN YUE TAN]

[Text] Beijing, 22 Nov (XINHUA) -- When I went shopping at the food market one Sunday, I saw some people excitedly elbowing their way toward a food counter; but after they learned the prices, their excitement vanished and they began to complain about the high prices. However, although they complained, one pointed to the fresh, lean pork and said: "Let me have 3 jin of it." Another said: "Give me 5 jin." Similarly, fresh fish costing over 2 yuan per jin, frozen shrimp costing as much as 7 or 8 yuan per jin, apples costing 7 or 8 jiao per jin, and the shockingly expensive brandname liquor were all in high demand.

It is inevitable that people are talking about such a situation:

"It is really strange that many people keep complaining, because they continue to buy quality goods."

"Actually, it is better to have food at higher prices than to have nothing to buy at all."

"I agree, but money goes easily this way."

"You can say that again. We used to say that we could analyze the situation based on the contents of a food basket. Now look at this basket. Well, what can you tell?"

How can we analyze the situation from the contents of our food basket? This little question has become a big issue. I would like to offer my small opinion.

As we analyze the situation from the contents of a food basket, we should not look only at the food prices. Even if we do look at the prices, we should analyze them from an economic view. Did we not say that we should update our knowledge?

One of the purposes of analyzing the situation from what is in our food basket is to know the market situation. The nation's market is reflected in such a picture: an abundant supply of commodities, an abundance of customers, and an abundance of cash. These "three abundances" are unusual phenomena of prosperity on the market in China. Who -- including people of the older generation -- has ever seen such an abundance of commodities, so many customers, and such high purchasing power? Fine cigarettes, good wines, good foods, refrigerators, color television sets, high-class furniture, and so forth have all become commodities in great demand.

"Then how can we explain the fact that the prices keep going up despite the abundant supply of goods?"

This is indeed a question that cannot be explained in a few sentences and a question that must be clarified. Prices reflect value, and their ups and downs are determined by supply and demand. However, when "leftist" ideology was prevalent in the past, commodity prices were artificially held down and frozen in an attempt to prove the superiority of socialism. But the consequences were just the opposite of what was wished. A joke in northern Jiangsu went like this: One day a peasant went to work. When he stepped out of this house, he tripped and fell, but he found 5 fen on the ground. He got up happily, turned right back into his house, and refused to go to work that day. Why? Because the money he found on the ground was more than the daily pay he could earn in those days. In those days when peasants were reluctant to work, supply on the market was scarce, and the scarcity gave rise to the policy of "belt tightening." Thus, food coupons were issued by the government to ration food supply, and the people had to eat less or not at all, and they would consider it lucky if they could have a "chicken feed festival" or survived a "year of toiling like an ox." During some festivals, there was not even a chicken feather in their food basket nor a soup bone for the Spring Festival. Today, rural families have become contracted producers, and because of price reform, prices of agricultural products and nonstaple food are allowed to float according to supply and demand. This has benefitted the 800 million peasants. As their production enthusiasm soars, food supply on the market increases. From this we learn that without a rational price increase, there would not be such an abundance of goods on the market. This cornucopia is therefore the fruit of reform.

"When supply has increased, the prices should come down!" some people say.

It is true that compared with the past the supply is abundant. Compared with the cash on the market, however, good foods, quality clothing, and durable goods are still insufficient. The abundance of cash on the market is both good and bad. It is good because it shows the improvement of the people's purchasing power and their living standard. It is bad because it shows an oversupply of cash because such macroscopic economic activities as production, construction, consumption, and credit and temporarily out of control. When there is an oversupply of cash, the supply of popular goods become relatively less, and this will give rise to price hikes. However, this mistake has been basically corrected, and the bad news is also becoming good news.

When demand exceeds supply, speculators increase activity to take advantage of the situation and cheat consumers by recklessly raising prices and substituting genuine quality goods with inferior fake products. Because of this, I not only sympathize with people who complain, I too have complained on some occasions.

But after thinking more deeply, I found it was not worthwhile. Would it not be a double whammy to continue complaining after I have already been cheated financially, thus causing both material and spiritual losses to myself? Furthermore, complaints are more worthless even than garbage. Reports from all parts of the country show that mayors and other officials of all localities are busily engaged in promoting production of vegetables, meat, eggs, and other commodities and enforcing market control. While the way these public functionaries fulfill their responsibilities can be praised with a lot of political euphemisms, it is the most fundamental way to end complaints.

While looking at the food basket, not only should we be aware of how much money we have spent, but also how much money we have made. During the 1978-84 period, the per capita income of Chinese workers and other personnel increased by an average of 92.4 percent, whereas the cost of living index (allowing for price fluctuations) increased 19.9 percent. A comparison of these two changes shows that each 1 percent increase of commodity prices means 3.5 percent increase of income. This 3.5 percent increase is the economic foundation of why people "keep buying quality goods," and the 1 percent increase in commodity price is the cause of "complaints." If they linked the 1 percent increase of commodity prices to the 3.5 percent increase in income, people would stop complaining.

While looking at the food basket, we should also be aware of the types of food we buy and their quality. We can still remember when our food baskets contained mostly "fillers" -- the outer layers of cabbage, radish stems, withered vegetable leaves, tough melons, "rotten sweet potatoes,"...but now the food in our food basket is better and people shop with a new concept. They want lean meat, lean meaty chickens and ducks, live fish, tender vegetables, and brandname wines; "rotten sweet potatoes" have become a "rarity."

Comrade Zhao Ziyang pointed out at the National Conference of Party Delegates on 19 September 1985: "Our economic work in the past was primarily geared to meeting the people's needs for food and clothing, whereas now the consumption pattern and the production setup have changed markedly. This is an important stage in China's economic development. From now on, the economy will gradually shift from meeting people's basic needs to enhancing the quality of their lives, so that by the end of this century the Chinese people will achieve a relatively comfortable standard of living." Now that the variety and quality of the contents of our food baskets are upgraded and the people's consumption pattern has changed, are these not changes toward a relatively comfortable standard of living?

While studying Comrade Zhao Ziyang's remarks a new question crops up in my mind: While analyzing the situation from our baskets, we should also view the situation from other developments. As our economy is primarily geared to meeting the people's needs for food and clothing, from the contents of our food basket we can see the changes in people's lives and in the country.

Now that the basic needs for food and clothing are replaced with a relatively comfortable standard living, the food basket is not entirely a microcosm of the people's living standard, much less a yardstick of the national situation. To have an idea of the national situation and the people's living standard, we should also see their living quarters, television sets, refrigerators, various kinds of furniture, new clothing, fashionable dresses and business suits, as well as the "secret" of every household -- the figures in their bankbooks. Recently, a new item has been added: jewelry.

I. 27 Nov 85

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CHINA
PRC NATIONAL AFFAIRS

JINGJI RIBAO ON USING FOREIGN COMMERCIAL LOANS

HK220635 Beijing JINGJI RIBAO in Chinese 16 Nov 85 p 2

[Commentator's article: "Appropriate Use of Foreign Commercial Loans"]

[Text] Making use of foreign commercial loans is a common practice. It is necessary to use foreign commercial loans appropriately and according to the needs of our country's modernization. As a matter of fact, a certain amount of foreign commercial loans have been used to meet the urgent needs of construction projects since the founding of our country, particularly since we began to implement the policy of opening up to the outside world. Foreign commercial loans are funds raised in the international financial and capital market. In addition to ordinary loans granted by commercial banks, commercial loans also include funds raised in the form of bonds and in other forms.

Foreign commercial loans are not restricted in the ways they may be used. Creditors do not examine the debit party's project which is in need of the loan. These loans are a type of foreign fund which can be freely used. However, their interest rate is determined by the interest rate in the international financial and capital market and is therefore higher than that of government loans. Thus, before using foreign commercial loans, we must carefully select construction items which really need them so that the use of foreign funds conforms with the needs of the development of the national economy. Since what we borrow is foreign exchange, we must pay back with foreign exchange. In a certain sense, how much foreign exchange our country can borrow is determined by how much foreign exchange it can earn. Therefore, in selecting construction items for the use of foreign loans, we must give priority to those whose products can be exported to earn foreign exchange and those whose products can substitute for imported ones. We should never use borrowed foreign exchange to import durable consumer goods. Much less should we depend on raw and processed materials imported with foreign exchange to maintain inappropriate growth rates in production.

In using foreign commercial loans, we must strengthen the examination and management of projects which need these loans. We must also carry out feasibility studies on projects which need big loans. Otherwise, these projects may not yield good economic results and some may not even be able to pay back the loans with interest on time. Raising funds from the international financial and capital market is a highly technical matter. The situation of the international financial and capital market is extremely complicated and ever-changing. There are numerous ways and forms for granting loans. If we are not careful enough, we shall suffer losses. Therefore, raising money from international financial and capital market must be arranged in a unified manner according to plans approved by the state. Besides, it is also necessary for us to acquire rich professional knowledge and experience in international finance; to know about international market prices; and to enter the international financial and capital market in a planned and orderly manner. Only in this way can we avoid impeding the fulfillment of state plans causing chaos, bringing about unnecessary economic losses, harming our country's reputation, or failing to secure preferential treatment.

CHEN MUHUA ON WORK OF BANKS' OVERSEAS BRANCHES

HK230740 Beijing ZHONGGUO XINWEN SHE in Chinese 1344 GMT 21 Nov 85

[Text] Beijing, 21 Nov (ZHONGGUO XINWEN SHE) -- Chen Muhua, state councillor and president of the People's Bank of China, today said: The tendency of China's foreign exchange reserve to drop has been basically brought under control, and the state of affairs is expected to improve next year.

Chen Muhua made this statement when talking with the general managers of the overseas branches of the Bank of China and the People's Insurance Company of China. She said: The foreign exchange drain has been checked since the authorities adopted such measures as reexamining projects which need foreign exchange, retrenching foreign exchange expenditures for imports, reducing the number of people and groups allowed to go abroad for various purposes, reducing foreign exchange expenditures for nontrade items, and controlling the use of foreign exchange by various localities and departments. In addition, this year's measures for controlling credit and the money supply have also achieved good results. The money supply between 1 January and 18 November this year was less than that in the same period of last year, so it is expected that the total money supply this year will not exceed the limit prescribed by the plan.

In regard to the work of the overseas branches of China's banking institutions, Chen Muhua said that China's overseas banking and insurance business should serve and support her trade and economic development. As required by the development of China's foreign trade and economic relations and by the implementation of the policy to open up to the outside world, China will gradually set up more new overseas branches. The overseas banking institutions should follow the general principles and policies laid down by the government in handling their business. At present, Hong Kong and Macao are the areas where China has set up the most banking institutions. Henceforth, the China-owned banks and companies in Hong Kong and Macao should follow the guiding principles specified by the Sino-British Joint Declaration.

Chen Muhua also hoped that leaders of the Chinese banking institutions in overseas areas will make more friends in the course of their business. She said that this is a job of special significance. Doing a good job in making friends broadly in local business circles will play an important role in ensuring economic prosperity and stability in Hong Kong and Macao.

CHEN MUHUA REPORTS ON BANKING CONTROL MEASURES

OW230549 Beijing XINHUA Domestic Service in Chinese 1444 GMT 21 Nov 85

[Text] Beijing, 21 Nov (XINHUA) -- Chen Muhua, state councillor and president of the People's Bank of China, said today that the central authorities have achieved initial success in exercising macroeconomic control over banking, and have been able to keep the currency circulation within the planned limits.

Chen Muhua told the general managers of overseas offices of the Bank of China and the People's Insurance Company of China: In the fourth quarter of last year, several banks vied with each other to extend loans, and since we lacked effective control measures discipline was not enforced and some persons used loans to seek private gains. Therefore, the central authorities have adopted six major measures to strengthen macroeconomic control over banking:

To reduce loans to village and town enterprises resolutely and keep them within the planned limits -- Village and town enterprises have grown too fast in some localities and the economic efficiency of some of them is poor. We have adopted measures this year to deal with different enterprises in different ways. We have given priority to supporting small hydroelectric power stations, small coal mines, and enterprises that show high economic efficiency and produce export goods or goods urgently needed on the domestic market. Loans are denied to enterprises that consume excessive energy and are technologically backward. Now the loans to village and town enterprises have been reduced and are kept within the planned limits.

To strive to stop excessive increase in consumption funds -- For various reasons, consumption funds increased too much last year. At the request of the State Council, the banks have kept unreasonable expenditures under control. They support such expenditures as subsidies for nonstaple food for workers and staff members, and additional funds required by coal mines to implement the output-related contract wage system. Thanks to effective measures, we have on the whole kept the unreasonable increase in consumption funds under control.

To adjust allocation of funds according to different seasonal needs and different regional needs -- In this way, we have satisfied the needs of funds for spring farming and for the purchase of agricultural and sideline products, commodities in short supply, and export commodities. At first, we had some problems with this practice, but they have been basically solved now.

To control credit by increasing interest rates and attracting more savings deposits -- We readjusted the interest rates twice this year, once on 1 April and again on 1 August, with increases in both the interest rate for savings accounts and the interest rate for fixed asset loans. As a result of the readjustment, we have attracted more savings deposits and at the same time, discouraged loans for investment in uneconomic projects.

To improve management of foreign exchange, control nontrade foreign exchange expenditures, and reduce overseas visits -- In this way, we have stopped the declining trend of foreign exchange reserves.

To include the credit of the People's Construction Bank of China in the overall credit plan of the state -- In this way, we have kept the total amount of loans for capital construction under control.

Chen Muhua said that these measures have greatly improved China's banking situation. She also set specific demands for our banks and insurance companies abroad.

LEADERSHIP SHOULD LIGHTEN BURDENS ON PEASANTS

OW240125 Beijing Domestic Service in Mandarin 2230 GMT 22 Nov 85

[Station commentary: "The Leadership Should Be the First To Lighten Peasants' Burdens"]

[Text] The circular issued by the CPC Central Committee and the State Council on banning indiscriminate collection of funds and fees from peasants has won their wholehearted support. Relieving peasants of irrational burdens is an important and urgent task before the leadership at all levels. Of the numerous reasons for the excessive burdens on peasants, a major one is that the responsible comrades of some localities and departments are divorced from the masses and reality. With the improvement of the rural situation, they have become somewhat hotheaded and have forgotten previous lessons. Under such circumstances, they have again put formalism into practice, tried to do things for show, and gone all out for various projects, thus incessantly expanding the scope of activities and increasing the burdens on peasants. One of the effective ways to check indiscriminate collection of funds and fees from peasants is to solve the problem where it has appeared and right after a collection is found unreasonable. There should be no exception at all no matter what level approved it.

In lightening peasants' burdens, what is most crucial is for leading organs to take the lead in doing so.

In mid-October, about two dozen provincial departments and bureaus in Heilongjiang began to examine, one by one, the more than 90 different burdens imposed on peasants. Their examinations reveal that the irrational burdens amount to as much as 270 million yuan. This means that the peasants' burdens can be reduced to a great extent.

Excessive burdens on peasants have become a persistent problem. Lightening such burdens should be regarded as a constant task to be grasped without letup by the leadership at all levels. In addition, legislation is necessary in order to solve the problem properly. In the future, necessary systems for examination, approval, administration, control, and financial supervision of peasants' burdens should be introduced so as to limit such burdens strictly within the scope permitted by the state laws and decrees and bearable by peasants.

ADVISORY COMMISSION MARKS DECEMBER 9TH MOVEMENT

OW260658 Beijing XINHUA Domestic Service in Chinese 1558 GMT 25 Nov 85

[Newsletter by XINHUA reporter Zheng Zhi: "Historical Responsibility of Children of the Chinese Nation -- An On-the-Spot Account of the Central Advisory Commission's Discussion Meetings Commemorating the 50th Anniversary of the December 9th Movement"]

[Excerpts] Beijing, 25 Nov (XINHUA) -- What unforgettable get-togethers they were. Old comrades now more than 60 years old who took part in the December 9th Movement as students and the young students of the 1980's happily gathered under the same roof in the Huairén Hall at Zhongnanhai and the Great Hall of the People to jointly commemorate the 50th anniversary of the December 9th Movement.

Eighty of the old comrades participated in the get-togethers. On 23 November, they and more than 120 representatives of the capital's young students held a discussion meeting in the Huairén Hall. On 24 November, these old comrades spent the whole day meeting with young students in six separate groups in the Great Hall of the People.

It has been the glorious revolutionary tradition of the Chinese youths to hold themselves responsible for the rise and fall of their country. Fifty years ago, the Japanese aggressor trampled on the rivers and mountains of their motherland and there was not a single place over the vast expanse of northern China for them to sit down and study. For the purpose of rescuing the nation from the danger of extinction, the broad masses of young students, under the leadership of the CPC, rose against the aggressor and ignited the mighty December 9th Movement, thereby adding a glorious page to the victory of the Chinese revolution. Now the days when the Chinese nation was oppressed and bullied have gone forever. As a socialist power, China now stands towering and with pride in the east. What then will be the historical responsibility of the youths of today? Recalling tradition, looking across the board at the whole situation in the country and the world and into the future, the participants of two generations in the discussion meetings reached a common conclusion: Study hard and strive to become competent in order to perform exploits in the drive to realize the four modernizations.

Rong Gaotang, secretary general of the Central Advisory Commission, is an old comrade known to young people. He was admitted to Qinghua University in 1931 but was arrested and jailed after studying for only 1 year because of his participation in patriotic activities. With deep feelings for the motherland, he poured his heart out to the students. He said: Ours is a very great country. But it is still a developing country. If we want to build it up, then we must never forget to work energetically and ceaselessly to attain the prosperity of our country through our own efforts.

He told the youths a story. In 1956 a world table tennis tournament was held in Japan and he was the leader of the Chinese table tennis team. During the tournament, the Chinese team couldn't even get a chance to have a match with the Japanese team, which was then among the world's best. At the time, the Chinese table tennis team earned no esteem among the various countries. This remained so until 1961 when the Chinese team had three champions in the world table tennis championships that year. Comrade Rong Gaotang said in excitement with a wave of his hand: "It is so for a table tennis team. It is so for a country also. You cannot win respect from others unless you are strong. In order to become a strong nation, we must work energetically and ceaselessly to attain the prosperity of our country through our own efforts. The Chinese table tennis team has remained strong for 20 years and our women's volleyball team has won another world title. How did they do it? They did it exactly with this same spirit."

The sincere words and earnest wishes expressed by many of the old comrades stirred the hearts of the young students. They were touched by the concern and expectations the older generation holds for the younger generation. Hu Jiuchuan, a student of Beijing Teachers College, said: We of the younger generation are successors to the cause of the revolution. What should we do to be good successors? In my opinion, the first thing is to acquire some skills, understand science, and master the science of management. The second thing is to have a correct view politically and ideologically.

"Our party wishes that everyone would express his opinions as much as he desires, although their opinions may differ. Whatever we do, we can do it well only by taking the mass line. All comrades with an ardent love for the party and a desire to make our cause a success should speak their true minds and actively make suggestions to the party. 'One sees clearly when he listens to all opinions, he will be in the dark if he chooses to hear only what pleases him.' It doesn't matter even if you say the wrong thing. Our cause cannot be successful if we do not develop democracy and pool the wisdom of the masses."

The above remarks were made by Comrade Bo Yibo when he was speaking at the discussion meeting on 23 November. These remarks were warmly welcomed at the group discussions on 24 November. Many of the students said that the discussion meetings and the remarks made by many old comrades at these meetings made them feel once again that the party's fine tradition is being carried forward. Li Ji, a student of Beijing University, said: Recently many leading comrades have visited various universities to hold discussions with the students. This practice is warmly welcomed among the students. It is hoped that it will be carried on with persistence.

During the discussion meetings, both the old comrades and young students talked about the unhealthy practices found within the party. They made sharp criticisms of such unhealthy tendencies as bureaucracy, using the authority in hand to seek personal gains and doing everything with an eye on money. At the same time, they also noted that our party has the firm resolve to fight these unhealthy practices and is also taking various measures in an effort to improve party style as soon as possible. Eventually, all unhealthy practices in the party will be cleared away one by one. Our party has the power to see that they will.

Wei Junyi, noted writer and student cadre of Qinghua University in her school years, said: There are indeed many problems within our party. I have not only written articles criticizing the various unhealthy tendencies but also gone about frequently seeking solutions to these problems. But I will say one thing, I have never wavered in my confidence in our revolutionary cause and our ideals.

Jiang Nanxiang, first vice president of the central party school who was secretary of the party branch of Qinghua University at the time, said: The history of the Chinese revolution has demonstrated repeatedly that young students must act under the leadership of the party in order to make any achievements. Otherwise, they can achieve nothing. The reason that many young people in the enemy-occupied areas willingly abandoned their comfortable living environment to go to eat millet in Yanan and follow the Communist Party was precisely because they found truth, hope, and a future in the Communist Party. After decades of tempering by storms, our party today has become more mature and firm. It is leading the people of the whole country in the race to the four modernizations. Young students must continue to follow the party and plunge themselves into the torrent of dedication to the four modernizations in order to make new contributions for the motherland and the people.

Both the university students and old comrades pointed out in their remarks that, to inherit and carry forward the revolutionary tradition of the December 9th Movement today, it is necessary to consciously stand in the vanguard of reform, united as one and work with one heart and one mind to perform exploits in the drive to build the country into a modern socialist power. In order to accomplish this, we must strengthen ideological and political work and unify the thinking of everyone of us on the basis of the guidelines of the National Conference of Party Delegates.

The students made many proposals in their remarks on how to improve current ideological and political work among university students. Chen Li, a student of the Electronics Department of Beijing Teachers University, said: Good political and ideological work begins with an understanding of the students. This work must be done before anything happens, and it must be done by focusing attention on the actual thinking of the students. Duan Junyi, member of the Standing Committee of the Central Advisory Commission, gave full approval to the suggestion upon hearing it.

Peng Fei, a student of People's University, said: We face many difficulties in our drive for the four modernizations. We should not only make use of the economic levers but also pay careful attention to political and ideological work. This calls for the efforts of all departments and trades to do political and ideological work. The CYL organizations are content only with some spectacular but superficial work and neglecting the need to do political and ideological work among the people in a down-to-earth manner. This merits our attention.

The comrades were very eager to speak at the discussion meetings. On the afternoon of 24 November when the clock showed it was already half past five, many group discussions were still going on in earnest.

Bo Yibo, vice chairman of the Central Advisory Commission, also came to the group discussion meetings where he seriously listened to the students and old comrades express their opinions and jotted down the key points made every now and then. Before the discussions were about to end, he said: Today is Sunday and it is a very rare opportunity for the old comrades who took part in the December 9th Movement and the student representatives to hold discussions here to exchange views. In the discussions many questions have been raised by the students. These were all raised from a good starting point and with a good heart, and we welcome these expressions. But, we must by all means pay attention to one thing. That is, we must not take the road of liberalization, because otherwise it would be impossible to run our country. It will not do for this country of 1 billion people to lack ideals and discipline. For a nation to make progress, it needs great ideals and iron discipline. The four modernizations drive is the historical task of the Chinese nation. I hope that you students will keep firmly in mind that ours is a large country of 1 billion people and our goal is to build a modern socialist power.

At the discussions, the students of China University of Political Science and Law also read a letter addressed by all students of the university to the old comrades.

Bo Yibo Addresses Forum

OW240951 Beijing XINHUA Domestic Service in Chinese 1558 GMT 23 Nov 85

[Excerpts] Beijing, 23 Nov (XINHUA) -- Some 80 veteran comrades from Beijing who took part in the "December 9th Movement" attended a forum at Zhongnanhai's Huairen Hall this afternoon. The forum was held by the Central Advisory Commission to commemorate the 50th anniversary of the "December 9th Movement." Joining them were more than 120 students and teachers from the capital's 16 universities and higher institutes.

Addressing the forum, Bo Yibo, vice-chairman of the Central Advisory Commission, said: The main purpose of this forum is to help us better understand the country's current situation and the party's policy, further inherit and carry forward the revolutionary tradition of the "December 9th Movement," conscientiously stand at the forefront of reforms and the four modernizations, and contribute to building a powerful, modern socialist state.

Bo Yibo said: The great historical achievements of the "December 9th Movement" deserves to be remembered forever. As a glorious tradition of the Chinese youth movement, the revolutionary spirit of "shouldering the fate of the nation" as demonstrated by the great masses of patriotic and progressive youths should be forever inherited and carried on. The great cause of our socialist construction has now entered a new historical period. The construction and reform tasks we face are grand and formidable. As we march along, we will encounter many difficulties and commit errors. However, as long as we sum up experiences promptly, listen to the people's opinions, unite and struggle with one heart and mind, we will certainly attain the intended goal.

The atmosphere at the forum was lively with one speech after another. The old and the young generations exchanged ideas on the significance of the "December 9th Movement," the direction of the youth movement, the historical responsibility of contemporary youths, and ways to inherit and carry forward the glorious tradition of the youth movement. Veteran comrades who took part in the "December 9th Movement" believe that youths are the future of the motherland and successors to the revolution. They hoped the younger generation would keep to the revolutionary direction and become good successors. The student representatives said in their speeches that they will take the torch handed over by the older generation and become a new generation worthy of the times and of the people's expectations.

Jiang Nanxiang, first vice president of the Central Party School, was party branch secretary and responsible person of the Student Council at Qinghua University at the time of the "December 9th Movement."

Speaking at the forum, he expressed hope that students would inherit and carry forward the glorious tradition of the "December 9th Movement," and steadfastly advance along the socialist path. Recalling events at that time, he said: The historical responsibility of youths today is to strive for complete victory of our socialist cause. What are the lessons we may draw from the movement? First, CPC leadership was decisive in the victory and success of the "December 9th Movement." The progressive youth organization -- the Chinese National Liberation Pioneers -- under direct leadership of the party played a very big role. Its current counterpart, the CYL organizations, should play an exemplary vanguard role in all aspects of work in school. Second, universities should uphold party leadership, keep to the socialist direction, and promote a democratic style of study. However, this kind of democracy should be socialist.

Lu Hao, a business management student at Beijing University, said: Beijing University possesses a glorious tradition. Today, we must carry forward revolutionary traditions and create a glorious new chapter. To achieve this, it is necessary to obtain a true and clear understanding of the core and essential elements of the glorious tradition of student movements, and this means following the party's leadership, answering the needs of the people, and following the tide of the times. He said: For today's university students, inheriting and carrying forward the glorious tradition of student movements should basically be reflected in the struggle for the party's immediate goals. It means actively joining the ranks for reform and the four modernizations, and contributing to China's rejuvenation.

Chen Bin, a Beijing University international politics student, also took the floor. He said: We wholly support the politics of reform and opening China to the outside world. The guiding principles and policies formulated since the 3d Plenary Session of the 11th CPC Central Committee are correct, and we support and approve them. Our hearts are feverish. We are totally devoted to the motherland. We are all prepared to plunge into the noble cause of socialist modernizations.

Also present at the forum were veteran comrades, including Liu Lantao, Duan Junyi, and Lu Zhengcao; as well as He Dongchang and Peng Peiyun, vice ministers of the State Education Commission; and leading comrades from the CYL Central Committee and the Beijing municipal party committee.

The forum will conclude on 27 November. Participants will hold group discussions on 24 November.

REMIN RIBAO ON HU YAOBANG'S HANDLING OF LETTER

HK220457 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 17 Nov 85 p 2

[Article by Ge Peiqi: "The General Secretary Handles the 2,001st Letter From the People"]

[Text] On 9 September, RENMIN RIBAO frontpaged the article "Hu Yaobang Handles 2,000 Letters From the People in 6 Years," and carried on its fourth page a long XINHUA newsletter entitled "2,000 Letters in 6 Years--On Hu Yaobang's Handling of People's Letters." After reading them, I was much moved. I think it is of great significance that the General Office of the CPC Central Committee has made this figure public. This will not only promote the improvement of the work of handling letters and complaints from the people, but can also remove some people's worry that "the lower levels can find no way to make their voice heard by the upper level," and thus fill the gaps and strengthen the close ties between the masses and the CPC Central Committee. It is conducive to encouraging the free airing of views and to fulfilling the task of implementing the policies toward intellectuals before the 13th National CPC Congress is convened.

The fact that despite the numerous affairs of state that Comrade Hu Yaobang has to attend to every day, he spares time to handle a large number of letters from the people, proves our party's purpose of serving the people wholeheartedly. Comrade Hu Yaobang shows great concern for the weal and woe of the people. I have my own personal experience regarding this. In the winter of 1979, there were obstacles to the process of the implementation of the policy for me. I went to several relevant departments of the CPC Central Committee, but the receptionists there all said that the obstacles were too difficult to surmount and that they were willing to help but unable to do so. Some of the departments even returned to me the documents of my appeal. When I was at the end of my rope, a clever and warm-hearted youth gave me a hint. I realized that when a child has difficulties, he has to go to his mother for help, and that when the policy could not implemented for me, I had to go to the CPC Central Committee.

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CHINA
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Therefore, I decided to go to the residence of Comrade Hu Yaobang, general secretary of the CPC Central Committee. However, I still had many worries. I thought that the door of the CPC general secretary's home would certainly be closely guarded to prevent any admittance. Would I be able to hand my letter to the general secretary?

At 1700 on 2 April 1980, I went to a lane in Dongcheng District, Beijing, and found Comrade Hu Yaobang's residence there. The gate faced the direction from which the sun rose, a spring wind was blowing, and there were neither plainclothesmen patrolling the lane nor armed policemen guarding the gate. At the tightly closed red doors there was a doorbell. I rang the bell and a guard came out and asked me whom I wanted. I said that I wanted General Secretary Hu. He immediately turned and went in. Soon, a young student came out. He asked me about the state of affairs in my college when he learned that I was teaching at a college. Then a member of staff came out, asked my name and purpose of my visit, and took the letter of appeal that I had written to Comrade Hu Yaobang. He said that he would certainly pass the letter on that evening, and asked me to leave a telephone number so that he could inform me of how my letter was being handled. I said that there was no telephone in the large and crowded house I lived in. He said that I would have to take the trouble to go there once more to see how my letter was being handled. The young student said that I had better go home and the letter would certainly be passed on.

The next day, I went there at the appointed time. As soon as I rang the doorbell, the staff member came out and handed me a large, red checkered envelope. He said that I had to take the letter to the Organization Department of the CPC Central Committee. The young student who came out with the staff member said warmly that the Organization Department was in Xicheng District and that I had to hurry. I was very happy. But it was late and my eyesight was bad; therefore, I decided to go to the Organization Department the next day.

When I returned to my small room, it was already dark. I turned the light on, got a magnifying glass, and looked carefully at the big envelope on which there were characters written vertically with a red pencil. On the right side was: the Organization Department of the CPC Central Committee; in the middle was: Deputy Director Chen Yeping; and on the left was Hu Yaobang's signature. I took out my letter of appeal and read what Comrade Hu Yaobang had written on it. Suddenly I was filled with hope. When my neighbors learned that I had gone to the residence of Comrade Hu Yaobang, general secretary of the CPC Central Committee, to lodge a complaint, they came one after another to inquire about the matter. I told them what had happened when I had been there the past 2 days and they were all pleased. Some of them said: "Hu Yaobang is a daring vanguard in bringing order out of chaos." Others said: "Hu Yaobang was concerned about the weal and woe of the masses as far back as when he was CYL general secretary." They congratulated me on my good fortune.

At 0830 the next day, I arrived at the Organization Department of the CPC Central Committee. Deputy Director Chen Yeping was out for a meeting and his secretary received me. I handed to the secretary the letter in which Comrade Hu Yaobang had written instructions. He said that how to handle my case would be decided by Deputy Director Chen. He gave me his telephone number and told me to telephone him if I wanted to contact him for anything. Two days later, Deputy Director Chen sent a leader at bureau level to talk with me and decided to reexamine my case. Since then the work related to the implementation of the policy for me has entered a new stage. I have been entirely rehabilitated and the brand of rightist with which I was wrongly labeled has been removed.

My party membership has been restored and the years of my party standing are to be calculated continuously from July 1938. Thus the policy of correcting all mistakes that was announced by the 3d Plenary Session of the 11th CPC Central Committee has been implemented for me. Some of the aftermath has been solved, but some remains to be solved.

The lodging of my complaint at Comrade Hu Yaobang's has not only enabled me to get the policy implemented for me, but has also given me a profound education. It has filled me with more confidence in the development of our party's undertaking. In the process of lodging the complaint, I learned three characteristics of Comrade Hu Yaobang's way of handling problems, namely, promptness, conscientiousness, and seeking truth from facts. I handed in my letter of appeal at 1700 on the first day: Comrade Hu Yaobang read and wrote instructions on it that very night and returned the letter to me at 1700 on the second day. This showed that he handled problems promptly. My letter of appeal was written on 2 April, but, owing to my carelessness, I dated it 2 March. Comrade Yaobang put two red dots under the word "March." This showed that he was conscientious in doing his work. In his instructions, he fixed a specific person and urged the relevant unit to implement the policy for me. This showed his spirit of seeking truth from facts in handling problems. This is very important. If, in handling letters from the people, a central leading comrade only gives some general instructions, but does not fix a specific person to be responsible for the work, often it is impossible to implement the policy. If our party-member cadres working in various areas can all carry on Comrade Yaobang's spirit of working promptly and conscientiously and seeking truth from facts, we will be able to score even better achievements in carrying out our four modernizations program.

I directly delivered and took back my letter of appeal which Comrade Hu Yaobang read and wrote instructions on. Perhaps it is not included in the figure of "2,000 letters" calculated by the General Office of the CPC Central Committee. Therefore, I give my letter the number 2,001st and note it here.

HU YAOBANG ENCOURAGES BORDER DEFENSE COMPANY

OW250600 Beijing XINHUA Domestic Service in Chinese 0308 GMT 24 Nov 85

[Excerpts] Lanzhou, 24 Nov (XINHUA) -- Hu Yaobang, general secretary of the CPC Central Committee, asked the general office of the PLA General Political Department to reply to a letter of the first company of a border defense regiment under the Lanzhou Military Region. The reply said that the general secretary had been gratified with the spirit of the company's commanders and fighters in garrisoning the frontiers for a long time and had expressed the hope that they would conscientiously study and implement the guidelines of the National Conference of Party Delegates and work hard to develop the motherland's frontiers.

When Comrade Hu Yaobang inspected a border area in northwest China last July, he cordially received the leader of the company and its political instructor and posed for a picture with them. On 14 September, company leader Peng Zhengcai and political instructor Ling Jiantao wrote a letter to Comrade Hu Yaobang on behalf of the entire company, reporting to him that the company worked very hard to guard the borders despite the unfavorable environment. Comrade Hu Yaobang was very pleased after reading the letter. He asked the general office of the PLA General Political Department to reply to the letter and convey his cordial regards to the border fighters on his behalf. On 13 November the border company received the letter which Comrade Hu Yaobang had asked the general office of the PLA General Political Department to write. After reading the letter, cadres and fighters of the company held an animated discussion. They expressed their determination to work hard and defy all difficulties to create a new situation in border defense construction.

AIR FORCE LEADERS VISIT UNITS, DISCUSS PROBLEMS

OW261315 Beijing XINHUA Domestic Service in Chinese 0810 GMT 23 Nov 85

[By reporters Sun Maoqing and Zhu Hao]

[Excerpts] Beijing, 23 Nov (XINHUA) -- Leading comrades of the Air Force recently visited units to study the new task of stepping up Air Force modernization under the new situation of implementing the guidelines of the National Conference of Party Delegates and the enlarged meeting of the Military Commission and carrying out structural reform and reduction-in-strength reorganization.

From mid-October to early November, Air Force Commander Wang Hai and Political Commissar Zhu Guang spent 20 days visiting Air Force units in Jinan, Nanjing, and Guangzhou Military Regions and talking with Standing Committee members of party committees there one after another. They held eight discussion meetings in organizations and units and visited seven sanatoriums for cadres to directly hear their ideas and suggestions. Wang Hai exchanged views with the Air Force commanders of the three military regions on the question of selecting and training Air Force pilots and making arrangements for placing those who are grounded. They also sat down with new and veteran pilots to discuss questions and proposed tentative reform plans based on reality.

Along with the intensified reduction-in-strength reorganization, a large number of veteran cadres have stepped down from leading posts. Wang Hai and Zhu Guang paid great attention to the placement of these veteran cadres. Wherever they went, they patiently listened to the veteran cadres' ideas and suggestions and helped them solve practical problems. At some units which faced a heavier task of reduction-in-strength reorganization, some surplus cadres said: "We are being cold-shouldered even before we leave here." When they heard about this, Wang Hai and Zhu Guang seriously consulted with party committees at all levels and agreed on specific measures to manage surplus cadres and make arrangements for their placement, so these comrades can keep fit, study hard, and work well.

COMMENTARY DISCUSSES HIRING PLA VETERANS

OW270151 Beijing Domestic Service in Mandarin 2335 GMT 24 Nov 85

[Station commentary: "An Important Work Beneficial to the Country, the Army, and the People"]

[Text] In the last few years, the PLA has actively implemented the instruction issued by Chairman of the Military Commission Deng Xiaoping on giving civilian job training to PLA cadres and fighters, and has achieved much in training. After completing civilian job training sponsored by the PLA, many servicemen have been transferred to civilian jobs. How to properly obtain and use discharged servicemen with civilian job skills is a new task for party and government leaders, and particularly for the discharged servicemen placement departments in all localities under the new situation.

In July 1984, the Ministry of Civil Affairs and the General Political Department popularized nationwide the experience of Sihong County, Jiangsu Province, in running employment agencies for discharged servicemen having civilian job skills. So far, service agencies for discharged armymen have been set up in more than 570 counties and cities in 23 provinces, municipalities, and autonomous regions. Through those agencies, nearly 500,000 discharged servicemen with civilian job skills have found jobs in various professions and trades, winning intense admiration for all quarters of society.

Recently, a national on-the-spot meeting on exchanging experience in obtaining and using discharged servicemen who have civilian job skills was held in Quzhou County, Hunan Province. We are glad to learn from the meeting that Quzhou County has achieved remarkable success in obtaining and using discharged servicemen having civilian job skills. The county has related its very good experience in manpower forecasting, military-civilian cooperation, training for specific needs, and placing the right people in the right jobs. Facts prove that discharged servicemen having civilian job skills have become a fresh force, not to be ignored in the course of the four modernizations. To make proper use of these ex-servicemen is important work, beneficial to the country, the Army, and the people.

Yu Qiuli, director of the General Political Department, pointed out recently: The training and use of people capable of doing both military and civilian jobs are like a two-part article, which should be jointly written by Army and local comrades, with the first part written by Army, and the second by local comrades. Part 2 must be consistent with part 1. Local comrades' work, if well done, will promote Army comrades' work.

We are convinced that the joint efforts made by the Army and the localities to work conscientiously, explore boldly and actively train people capable of both military and civilian jobs will surely and forcefully promote the building of the two civilizations.

ZHAO ZIYANG SPEECH AT BAOSHAN PROJECT OPENING

OW270050 Beijing XINHUA Domestic Service in Chinese 1316 GMT 26 Nov 85

[Text] Shanghai, 26 Nov (XINHUA) -- The following is the text of Premier Zhao Ziyang's speech at the ceremony marking the commencement of operation of the first-stage project of the Baoshan Iron and Steel General Works:

Comrades and guests:

The first-stage projects of the most advanced iron and steel complex in our country at the present time -- Baoshan Iron and Steel General Works -- has been successfully completed and put into operation after a 7-year construction period. This is the crystallization of the wholehearted cooperation and industrious work of all staff and workers as well as foreign experts taking part in the construction of the Baoshan Iron and Steel General Works. It is also a vivid manifestation of the great support given by the people of all nationalities across the country and all localities, departments, and cooperating units. It marks a rich, fruitful result of our implementation of the policy of opening to the outside world and introducing advanced foreign technology into our country as well as another significant accomplishment of China's socialist construction. The first-stage project of the Baoshan Iron and Steel General Works, which is one of the most important construction projects in the Sixth 5-Year Plan, will play a vital role in promoting our iron and steel industry and in supporting the program of the four modernizations.

Here, on behalf of the party Central Committee and the State Council, I wish to extend warm congratulations and cordial regards to all management personnel, engineers, technicians, and worker comrades who are working at the forefront of the construction of the Baoshan Iron and Steel General Works! I also wish to express heartfelt thanks to the entrepreneurs and engineering and technical experts of Japan, the Federal Republic of Germany, and other countries who have cooperated in a friendly way with us in building this works and to all friends who have shown concern about and given support for this project.

The completion of the first-stage project of the Baoshan Iron and Steel General Works marks a giant stride made by China's iron and steel industry on the road of modernization. We should continue to work hard and make persistent efforts to achieve success in building the second-stage project. With the experience gained in building the first-stage project, the joint efforts of the departments concerned in the country, and the cooperation from our foreign friends, I believe, still better results will be achieved in building the second-stage project!

The construction of the Baoshan Iron and Steel General Works is no easy task. To manage it well and bring its economic benefits into full play is even harder. Now the job before you is to do well in constructing and managing the Baoshan Iron and Steel General Works. In doing this, you should strive to meet high and strict demands so as to make it a first-class iron and steel enterprise domestically and internationally. This is an earnest hope that the people of all nationalities in our country place on the Baoshan Iron and Steel General Works and is also the target that this works should strive hard to meet from now on.

The Baoshan Iron and Steel General Works has advanced technology and equipment, but this is not sufficient. It should also have advanced methods for management and operations and should train and bring up a high-quality work force. In the future, the Baoshan Iron and Steel General Works should not only supply more and better rolled steel for our national economic construction, but provide our country's iron and steel industry with outstanding workers who have mastered advanced technology and who are expert in modern management methods.

We should see soberly that a new technological revolution is developing rapidly in the world, bringing about new changes with each passing day. The Baoshan Iron and Steel General Works, after construction is completed, should make ceaseless efforts to develop and improve itself and explore new ways to advance so that it will always remain youthful. It is the hope expressed by the party Central Committee and the State Council that all staff and workers of the Baoshan Iron and Steel General Works will guard against arrogance and rashness, work hard, take the initiative to meet challenges, and tirelessly make reforms and innovations so as to make still greater new contributions to the program of the four modernizations!

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LI PENG ADDRESSES COAL PROCUREMENT MEETING

OW261055 Beijing XINHUA Domestic Service in Chinese 1634 GMT 25 Nov 85

[By reporter Yang Futian]

[Text] Nanjing, 25 Nov (XINHUA) -- Li Peng, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, addressed a national meeting today on placing coal procurement orders for 1986. He emphasized: In view of the flourishing situation in coal production and the reduced strain on coal supply, it is necessary to continue to persist in carrying out and improving the overall reform in coal production, transport, and distribution so as to develop the excellent situation in coal production and supply.

Materials released at the meeting indicate that since the beginning of this year, China's coal production has increased steadily, and that the annual output is expected to exceed 800 million metric tons. At present, there is an abundant supply of coal. The coal in stock has increased, while the strain on supply has eased.

Vice Premier Li Peng said at the meeting: The excellent situation in coal production and supply is the result of the overall reform carried out in coal production, transport, and distribution since 1983. Practice proves that the reform has been a success.

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He said: The fulfillment rate of procurement contracts covered by state plans has gradually increased over the past 3 years and will reach 98 percent this year. The fulfillment rate of contracts signed with electric power, metallurgical, and railway departments will reach 99 percent. Thus coal supply for developing the national economy has been ensured.

Discussing the question of coal supply in 1986, Vice Premier Li Peng outlined the following four principles: 1) Orders should be placed according to state coal distribution. The 1986 volume of state coal distribution will be 25 million metric tons more than in 1985. 2) It is necessary to continue to carry out overall reform and to coordinate supply. Railway transport of coal should be carried out according to mandatory or guidance plans. Both fall under the state plan and must be fulfilled. 3) Because coal is an important material with a bearing on the national economy and the people's livelihood, it is necessary to give priority to the planned economy and make partial and reasonable readjustments. 4) It is necessary to make full use of waterway transport of coal. The Ministry of Communications and the localities should speed up the construction of coal piers and, at the same time, transport coal by barges at Ningbo, Nantong, Zhangjiagang, and Zhenjianggang ports in order to ease the strain on transport.

After summarizing the basic experience in overall reform, Vice Premier Li Peng called for gradually developing coal supply at fixed points. He urged coal, transport, material supply, and other enterprises and departments to consider the overall situation and closely cooperate with each other in order to ensure coal supply.

LI PENG MEETS PROVINCIAL EDUCATIONAL LEADERS

OW210809 Beijing XINHUA in English 0724 GMT 21 Nov 85

[Excerpts] Beijing, November 21 (XINHUA) -- In the nation's drive to make nine-year education compulsory, educators of China's relatively developed provinces are meeting here to discuss measures to attain that goal. The 12 are Heilongjiang, Jilin, Hebei, Shanxi, Shaanxi, Henan, Anhui, Hubei, Hunan, Sichuan, Jiangxi and Fujian.

In his meeting with educational leaders from the 12 provinces yesterday, Li Peng, vice premier and minister of the State Education Commission, affirmed the beginning of the good educational situation. He also stressed that local educational departments should not simply concentrate on increasing the number of schools, teachers and students to the detriment of the competence of teachers and the efficiency of schools.

HU QIAOMU SPEAKS AT BOOK PUBLICATION CEREMONY

OW210509 Beijing XINHUA Domestic Service in Chinese 1222 GMT 20 Nov 85

[By reporter Qu Zihong]

[Excerpts] Beijing, 20 Nov (XINHUA) -- It is the responsibility of publishing departments to provide young readers with interesting books offering profound knowledge of Chinese history, culture, and geography in simple language so that the youngsters can better understand the traditions and history of our motherland, said Comrade Hu Qiaomu at a ceremony today to mark the publication of the "Series of Books on the Motherland." Attending the ceremony also were Zhu Houze, director of the Propaganda Department of the CPC Central Committee; Zhu Muzhi, minister of culture; Bian Chunguang, director of the State Publications Bureau; and responsible persons of Beijing Municipality, the CYL Central Committee, the All-China Federation of Trade Unions, and other departments concerned.

ANHUI RADIO ON STUDYING PARTY CONFERENCE DOCUMENTS

OW260601 Hefei Anhui Provincial Service in Mandarin 1100 GMT 23 Nov 85

[Station commentary: "We Should Study the Documents of the National Conference of Party Delegates in Conjunction With the Actual Situation"]

[Text] The National Conference of Party Delegates and the speeches delivered at the conference by central leading comrades have, through the integration of theory and practice, expounded a series of important issues that must be urgently solved in the course of China's current four modernizations' drive. The conference and our leaders' speeches shine with the golden light of Marxist thought.

The earnest study and implementation of the documents of the National Conference of Party Delegates lie in unifying the thinking and action of the vast number of party-member cadres, and are the most urgent and important political tasks currently faced by party committees at all levels in our province. The documents of the conference should be implemented in a down-to-earth manner, and efforts should be made to ensure practical results are achieved. The key to reaching this goal lies in taking the actual situation into consideration. In addition to grasping the essence of the conference's documents, we should devote ourselves to solving urgent problems currently facing us.

1. We should integrate our thinking with the actual situation and achieve a common understanding of what is lying before us. For instance, we should take a correct and comprehensive view of the current situation. Through study of the documents, we should use lively and convincing facts to prove that the past 7 years, since the 3d Plenary Session of the 11th CPC Central Committee, are one of the best periods in terms of economic and political development since the founding of the People's Republic. The overall situation in Anhui has been very good, as in the entire nation. Our economic work has initially embarked on the road of continuous, stable, and coordinated development, and has begun to show the perspective of achieving a good economic development cycle. Politically, Anhui has become increasingly stable and united. The mental outlook of cadres and the masses has also changed markedly. In handling important issues such as reform, opening to the outside world, promoting socialist material and spiritual civilizations, and consolidating leading bodies at various levels, we should take into consideration different beliefs currently existing, and discuss them in depth in order to achieve a common understanding.

2. We should speed up development in various fields by taking into consideration the actual situation in our work. This means carrying out our work in a down-to-earth manner as we usually say. In his closing address at the National Conference of Party Delegates, Comrade Li Xiannian pointed out that our tasks for a certain time to come are to organize the implementation of construction and reform projects set for the Seventh 5-Year Plan, and turn the plans and blueprints into reality. How do we do this? It requires us to systematically carry out our work. First, we have to properly arrange our current work. In particular, we should deepen our efforts to carry out reform in various fields, continue to develop our economy, make every effort to promote socialist spiritual civilization in order to ensure that a good result is achieved, and ensure that party rectification work is properly carried out from beginning to end. All localities and sectors should take the local situation into consideration, make their own arrangements, and take practical measures to systematically carry out their work.

Study, taking the actual situation into consideration, is what our party has always advocated.

To practice this, we should uphold the principle of the three nots [not seizing on others' faults, not putting labels on people, and not using the big stick] in order to create a good democratic climate for everybody to think and talk freely and feel at ease. Any differences should be ironed out through discussion, persuasion, and education. We should present the facts and reason things out, so that our thinking and understanding can be gradually unified. We shall never repeat the left way of doing things that prevailed during the Great Cultural Revolution.

REPORT ON NANJING MILITARY REGION RECTIFICATION

0W251349 Beijing XINHUA Domestic Service in Chinese 0215 GMT 22 Nov 85

[By correspondent Wang Haozhong and reporter Liu Donggen]

[Text] Nanjing, 22 Nov (XINHUA) -- At the conclusion of party rectification in party committees of division level units and various offices, the Nanjing Military Region took effective measures to deepen education in party spirit and consolidate and exploit the achievements of party rectification.

At the conclusion of party rectification in party committees of division level units and offices last October, the Nanjing Military Regional CPC Committee sent work groups to these units to inspect and analyze the party rectification situation and found that a strong party spirit is a basic guarantee for straightening out party style and for success of various reforms and projects in the units. However, although during party rectification the party committees of division level units and offices achieved noticeable results by stressing party spirit as a major subject, a few units still failed to establish a correct party style; and there is an urgent need to continue strengthening education in party spirit. Even in those units that achieved better results than others, success in party spirit education is not easily achieved but must be won with persistent efforts and systematic work.

In view of the weak links in party rectification, the party committees of division level units and offices under the Nanjing Military Region since last month have taken four measures to deepen the education in party spirit. First, they strengthened theoretical study. Many units further perfected their theoretical study system and formulated theoretical study plans. Party member cadres systematically studied the documents of the National Conference of Party Delegates, analyzed and realized the current excellent situation with the viewpoints of dialectical and historical materialism, overcame some vague ideas and strengthened their beliefs and their party spirit. Second, they urgently studied and handled problems that had not been solved or only partly solved during party rectification, and strengthened their party spirit in the course of party rectification. Some units stepped up investigation and handling of unhealthy tendencies occurring in production and management. However they did not merely handle each case as it stood but educated the party member cadres by analyzing typical cases from the fact that correct party styles can be established only by establishing a pure party spirit. Third, they have perfected a system of rigid party organization lifestyle and actively encouraged criticism and self-criticism. Many units have held meetings on democratic lifestyle to strengthen their party spirit. These meetings have helped to establish a good practice of daring to criticize others face to face, thereby strengthening the party organizations' control and supervision over party member cadres. Fourth, the leaders have taken the lead in implementing rectification and reform measures with their own exemplary deeds. The various party committees have divided their work and assigned special persons to be responsible for each job and make periodic checks to ensure the step-by-step fulfillment of the rectification and reform measures.

XIZANG SECRETARY ADDRESSES STANDING COMMITTEE

HK270324 Lhasa Xizang Regional Service in Mandarin 1130 GMT 26 Nov 85

[Text] On the afternoon of 26 November, at an enlarged meeting of the regional CPC Committee Standing Committee, Comrade Wu Jinghua secretary of the regional CPC Committee, emphatically pointed out: The objective of all our future work is to proceed in everything from the realities in Xizang, to do everything for the development of productive forces and the prosperity of the people in Xizang, to further strengthen unity between the various nationalities, between party organizations and members, between the Army and the government, and between the Army and the people, and to make concerted efforts to start another great plan and create a new situation in Xizang's work.

The present enlarged meeting of the regional CPC Committee Standing Committee has lasted for 10 days. During the meeting, participating comrades from various localities made an appropriate, correct appraisal of the region's good political, economic, and reform situation in accordance with the spirit of the three central meetings and in the light of the actual conditions in Xizang; a conscientious analysis of the problems facing the region; and good proposals for overcoming difficulties and continuing to forge ahead. The meeting was a success.

At the meeting on 26 November, Comrade Wu Jinghua made an important speech entitled Strengthen Our Confidence and Work Hard in Unity To Create a New Situation in Xizang's Work. The meeting was presided over by Redi, deputy secretary of the regional CPC Committee. Duojicairang, Ba Sang, Mao Rubai, Dan Zeng, Jiangcun Luobu, deputy secretaries of the regional CPC Committee, and Zhang Xiangming, chairman of the regional Advisory Commission, attended the meeting.

Comrade Wu Jinghua's speech was divided into three parts, the first part dealing with the situation, the second one with the tasks, and the last one with work style. When touching on the situation, Comrade Wu Jinghua reviewed the achievements in the work in various fields since the second forum held by the central authorities on Xizang's work and said: The present political and economic situation in Xizang is the best since the peaceful liberation of Xizang. However, he pointed out: In appraising the situation, we must be practical and realistic and use the concept of one dividing into two. To forge ahead, we must affirm the achievements that ought to be affirmed by seeking truth from facts and similarly, to forge ahead, we must also face squarely the problems that ought to be faced squarely by seeking truth from facts.

After citing the main problems facing us, he said: These problems seriously hindered the thorough implementation of the numerous important instructions of the central authorities and the further expansion of the fine situation. Leaders at various levels must acquire a sober understanding of and have a serious approach toward the above problem.

When dealing with the tasks in the coming period, Comrade Wu Jinghua said: Our Xizang's work has entered the stage of steady development in which we are further implementing thoroughly the spirit of numerous central instructions with the spirit of the three central meetings, thoroughly eradicating the influence of leftism, and conducting comprehensive reform and straightening out various relations by proceeding from the actual conditions in Xizang.

The regional CPC Committee and people's government decided that, after the meeting, the region and various prefectures and cities should form two leading bodies to handle two major things. One is to pay attention to structural reform and the building of leading bodies, including the study and formulation of policies relating to the cadre and personnel system. The other is to pay attention to economic construction and economic restructuring.

How should we do a good job of the two things? Comrade Wu Jinghua said: First, it is necessary to further completely negate the Great Cultural Revolution, to eradicate the influence of leftist ideology, and to rectify the ideological line. Second, it is imperative to implement, consolidate, and develop the economic structural reform in agricultural and pastoral areas, to persistently carry out economic restructuring in the cities, and to go a step further to do a good job in economic work. Third, it is essential to streamline the administrative structure, to reorganize leading bodies, to strengthen and perfect the cadre system and related policies, and to carry out the above three tasks in a coordinated way. Fourth, efforts should be made to strengthen ideological and political work and to build socialist spiritual civilization.

Comrade Wu Jinghua said: The tasks facing us are extremely arduous. To ensure the fulfillment of the tasks, a sound work style is needed. He pointed out: The crux of the problem of work style is to seek truth from facts, namely, to attend to practical matters. To do so, it is necessary to firmly foster the idea of serving the people wholeheartedly. Working for the interests of the people and attending to practical matters constitute the fundamental contents of our party's good tradition and work style. Comrade Wu Jinghua went on to say: What counts in improving the work style of leading departments at various levels is to make fewer empty promises, to do more solid work, and to stress practical results. We must pay close attention to this key task. To improve the work style of the cadres, it is necessary to conscientiously implement the three-three system of work methods that Comrade Hu Yaobang, general secretary of the CPC Committee, introduced in light of Xizang's characteristics. To improve work style and raise work efficiency, the most fundamental thing to do is to strengthen cadre training, and to improve the political and cultural level and professional competence of existing working personnel of leading bodies at various levels.

Finally, Comrade Wu Jinghua said: At the meeting, we should implement the tasks, one by one, down to the right place in a down-to-earth manner. Since we have made arrangements for our work, we should inspect their implementation. The work performance of a specific unit should be regarded as the criterion for checking on the unit's cadres.

BEIJING COURT SENTENCES 23 ECONOMIC CRIMINALS

HK270340 Beijing ZHONGGUO XINWEN SHE in Chinese 0358 GMT 26 Nov 85

[Text] Beijing, 26 Nov (ZHONGGUO XINWEN SHE) -- The Beijing Intermediate People's Court today held a mass meeting to announce the court's decisions according to law in 13 cases, punishing 23 economic criminals. Of the 23 criminals, 21 were state cadres who had exploited the power of their offices to separately commit or collude with others in criminal activities such as graft, asking for and receiving bribes, speculation, and fraud. In all, they illegally earned over 256,000 yuan.

Wang Lou, a criminal who committed the crimes of taking bribes, speculation, and graft, was sentenced to 15 years imprisonment, the severest punishment for the criminals who were sentenced in this meeting. Wang Lou was formerly the secretary of the party branch of the Miyun County Timber Company in Beijing Municipality. From 1982-1985, he exploited the powers of his office for private ends, illegally giving permission for the sale of over 700 cubic meters of timber, and asked for and took bribes of 6,000 yuan in cash and other goods including 5 color television sets made by Hitachi, Toshiba, and Telephogan, 3 Sharp radio-cassette recorders, 1 Bailan washing machine, cigarettes, and wine. The total value of the bribes reached 20,040 yuan. In addition, since 1981, he had purchased over 80 cubic meters of timber from his company and resold the timber at high prices to earn a profit of 3,900 yuan. He had, moreover, exploited the powers of his office to steal 820 yuan of public money.

Another criminal Yin Zhinong, 64, who committed speculation, was formerly a vice manager of the Shoudu Iron and Steel Company. In June 1984, he took part in a transaction of illegally reselling steel at a higher price and thus earned an illegal profit of 18,000 yuan, of which Yin took 8,000 yuan. Yin was sentenced to 6 years imprisonment, as he refused to admit his crime and repent. Shen Manli, who colluded with Yin, was sentenced to 2 years imprisonment with 3 years probation, because she took the initiative to confess, surrendered her ill-gotten gains, and did something to show her repentance and to help crack the case.

Li Shaohua and Xia Yong, who were executors of the law but violated the law, were clerks in charge of special cases at the Fengtai administrative office of the Fengtai District Administration for Industry and Commerce. They exploited the powers of their office to take 500 yuan in bribes and thus enabled a household that had violated the law to evade over 160,000 yuan in fines. Li, in addition, helped a factory to think of a way to earn an illegal profit of 119,000 yuan. Li and Xia were respectively sentenced to 3 years imprisonment.

Beijing Deputy Mayor Comments

HK270420 Beijing ZHONGGUO XINWEN SHE in Chinese 0244 GMT 26 Nov 85

[Text] Beijing, 26 Nov (ZHONGGUO XINWEN SHE) -- Commenting on the sentencing of 23 economic criminals, Feng Ming, deputy mayor of Beijing, said today that from January last year to June this year, Beijing has cracked 547 cases of speculation and profiteering, among which there were 273 cases whose business volume exceeded 10,000 yuan, 24 cases whose illegal earnings exceeded 50,000 yuan, and 244 cases whose illegal earnings exceeded 3,000 yuan.

He said that the situation in several counties shows that there are many cases of swindling committed by signing false contracts and demanding payment in advance. Some swindling cases even involved over a million yuan. The money involved in only 10 swindling cases amounted to 6.46 million yuan. These criminal activities have not only caused economic damage to individuals, collectives, and the state, but also disrupted prices and the market and corrupted people's ideology as well.

He said that one of the objective factors causing these serious economic criminal activities is the lax discipline and imperfect rules and regulations that proved convenient for the criminal activities. So in order to effectively crack down on criminal activities, the state must implement strict discipline and resolutely punish the criminal elements who are destroying the country's economy.

SHANXI RADIO URGES PRESERVING STABILITY, UNITY

HK250241 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 24 Nov 85

[Station commentary: "Cherish and Preserve the Excellent Situation of Stability and Unity"]

[Excerpts] Preserving and developing the excellent situation of stability and unity is currently an extremely important condition for implementing the spirit of the National Conference of Party Delegates. Preserving and developing a political environment of stability and unity is the requirement of attaining the four modernizations. We need an environment of stability and unity in carrying out economic reforms, opening up to the world, and building the two civilizations.

During the Great Cultural Revolution we followed a leftist line which disrupted social order and wrecked the political environment of stability and unity, bringing profound calamity to the people of the whole country. We must absorb this lesson of history and prevent the emergence of any disturbing factor. Preserving stability and unity is also the requirement of ensuring socialist democracy and legal system. A democratic life cannot be attained without a political environment of stability and unity. If we allow a very small number of people to act as they like without organization or discipline and pursue bourgeois liberalization, this is bound to harm the socialist democratic rights of the great majority.

Without a doubt, every citizen of our country should be concerned for politics and the major affairs of state. Such concern is diametrically opposed to discarding party leadership and discipline, and the two cannot be mentioned in the same breath. We should welcome the masses to put forward criticisms and views on the work of the party and government through the normal democratic channels. However people must not adopt the methods of mass criticism, mass contending and blooming, and big-character posters.

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QINGHAI RADIO VIEWS GRAIN PROCUREMENT PROBLEMS

HK270305 Xining Qinghai Provincial Service in Mandarin 2330 GMT 25 Nov 85

[Station reporter's commentary: "Get a Good Grasp of This Year's Grain Procurement Work"]

[Excerpts] By 15 November, 58.87 million jin of grain procured according to contract had been stored in Qinghai. However, the progress of procurement work has been slower than last year. The departments concerned hold that the main reasons for this are, first, there has been high precipitation and low temperatures this year, with the result that crop ripening was delayed. Second, the work has not been grasped tightly. Some leaders have regarded the fulfillment of procurement contracts as a soft task. Third, the idea of attaching more importance to industry and sideline occupations than to agriculture has had an impact on some peasants. In addition some people, lacking a legal concept, have not seriously fulfilled the clauses of their contracts. Fourth, grain cultivation was excessively reduced in some places. In addition, parts of the province were hit by natural disasters, causing unevenness in the progress of grain storage work.

Switching from state monopoly purchase to contract purchase of grain is an important measure adopted by the state that will bring agricultural production onto the track of planned commodity economy and turn the peasants into relatively independent commodity producers with operational decision-making powers.

As this is a new item of work, we have lacked experience in its implementation. However, judging by the problems reflected in this year's grain procurement work, enhancing the ideological understanding of the leading comrades at all levels is the key to making a success of this work. Strengthening ideological education for the peasants is another important aspect of successful grain procurement work.

SHAANXI ISSUES CIRCULAR ON RANDOM USE OF FARMLAND

HK250901 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 23 Nov 85

[Text] The provincial government issued an urgent circular on 23 November urging all localities to adopt measures to resolutely check the unhealthy tendency of random occupation and use of farmland.

The circular points out: Over the years, the situation of random occupation and use of farmland has become very serious in various localities. Despite repeated injunctions on resolutely checking the situation, the localities have only achieved limited results. In particular, since the beginning of last year, the situation of random occupation and use of farmland has further developed in the localities. Some have practiced fraud to occupy farmland. Some have occupied more than the assigned area of farmland. Some have occupied more than the assigned area of farmland. Some have left idle their assigned farmland so that it has been wasted. Some have sold farmland at a high price and sought colossal profits. And some have randomly decentralized to lower levels the power to approve occupation of farmland, so that there has been a serious situation in which farmland is randomly occupied and sold without approval from the authorities. Consequently, the administration of land has been out of control.

The circular urges: First, all localities must conduct a large-scale examination of the situation of random occupation and use of farmland. Leading comrades of the government at various levels must personally handle the work. With major efforts from the departments in charge of land administration, they should organize the departments concerned to concentrate their efforts from now until the end of December on seriously investigating, and holding accountable leaders who are responsible for, the situation of random occupation and use of farmland. They should act on a town, village, household or unit basis.

Second, they should adopt resolute measures to deal seriously with the problem that some units and individuals randomly occupy and use farmland. All state-run and collective units, as well as town and township enterprises, will act against the law if they use illegal means to cheat the authorities of their approval of occupation of farmland, overstep their authority and approve the occupation and use of farmland, or randomly occupy and use farmland. The land occupied and used by these units and enterprises should be returned in its entirety to its former users. Any unit that does not return overdue land occupied for temporary reasons should compensate the former user for the economic losses caused, in addition to promptly returning the land to the former user. We should take administrative measures against the relevant personnel or anyone who is directly accountable for making serious mistakes and causing random occupation and use of farmland. At the same time, we should levy fines on them in accordance with relevant regulations. After these units' problems of random occupation and use of farmland are solved, units that really want to use land may follow relevant regulations and apply again to use land. Any agreement on a piece of land should be declared null and void if the land is randomly or illegally occupied, bought, or exchanged by workers of state organs, residents of cities or towns, or cadres or the masses of rural areas by abusing power, claiming kinship, or practicing fraud. In addition, the land should be returned to the collective within a deadline.

In connection with the regulations, the people who illegally occupy land should have administrative and economic measures taken against them. The masses have the right to report to the upper level authorities those workers of state organs and cadres of rural areas who take advantage of office for personal gain, practice fraud, accept bribes, and make serious mistakes when examining the use of, and allocating, land. The bureaus at various levels must thoroughly investigate the situation and deal seriously with cases. Acts of offering land to let or for sale are serious crimes. We must resolutely ban them and confiscate the illegal income. We should also resolutely demolish or confiscate the structures built on wheat fields. The farmland should be allocated to the collective. In serious cases, the planners and people directly responsible should have economic and legal measures taken against them in accordance with the regulations. We should adopt effective measures to promptly change back to farmland those pieces of land that have been left idle for a long time after occupation, or that have been wasted for other reasons. We should criticize and educate those who are directly responsible for leaving the land wasted, or take disciplinary measures against them.

Third, we should really strengthen land administration and strictly enforce the system of examination and approval of land use. The people's governments at various levels must resolutely implement relevant regulations promulgated by the State Council and the provincial people's government on strengthening land administration work. We must first strictly handle the decision-making power for approving the use of land.

We must reaffirm that from now on, all land occupied either for state construction or by town and township enterprises or peasants for building houses, must be reported, in accordance with the regulations, to the people's governments at and above county level. All localities' approval notices on land use are now invalid. From now on, under no circumstances will the authorities be allowed, without thorough investigation, to decentralize the decision-making power for approving the use of land. In the case of a state construction project that occupies land without approval, the banks are prohibited from allocating funds, and the design and construction departments are prohibited from undertaking the decision and construction work of the project. Land allocated for use must be made full use of in a rational way. Those pieces of land that will be temporarily left idle should be turned into farmland so as to prevent them from being wasted. Otherwise, the departments in charge of land administration have the power to hold accountable the units concerned responsible for the situation. We must also strictly control the use of land of town and township enterprises. We should act seriously in accordance with the regulations and must not randomly occupy the farmland owned by collectives. We must strictly control the allocation of agricultural land. When examining and approving the use of agricultural land, the people's government at the county level must strictly adhere to the provincial government's Document No 7 of 1985 on standard area. Only peasant households really facing difficult ties are allocated the land. No false documents or occupation by force is allowed. Nobody is allowed to retain overdue land or to occupy more than the assigned area. When making specific land allocations, the authorities should give priority to land for non-agricultural use and try to avoid allocating farmland. Nobody is allowed to establish a single village or household on a vast piece of farmland.

Fourth, the people's governments at various levels must regard as a major task the work of checking random occupation and use of farmland, and must include the work on their daily agenda. They should really strengthen their leadership. They should assign responsibility level by level, fix deadlines and strive to achieve results. We must hold accountable anyone who does not or is not able to implement the regulations. We should also educate cadres and the masses on observing discipline and the law, so as to help them improve their ideological consciousness and help them strengthen their understanding on the legal system. As a consequence, they will cherish and use rationally every inch of land. We must strive to perfect the organizations at various levels in charge of land administration and strengthen the work. The departments concerned must give active support and supervise and examine the work, so as to promptly check the unhealthy tendency of random occupation and use of farmland.

I. 27 Nov 85

C H I N A
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CHINA POST EDITORIAL ON U.S. SENATE VOTE

OW250631 Taipei CHINA POST in English 20 Nov 85 p 4

[Editorial: "U.S. Protectionism Worries Trading Partners"]

[Text] By a 60 to 39 vote on Nov. 13 the U.S. Senate approved a measure to set quotas on textile, apparel, and leather shoe imports from 12 countries. All the 12 nations are naturally concerned about how they would be affected by cutbacks in their exports, particularly as the United States has been the biggest customer for most of them.

For the Republic of China on Taiwan [ROC], this Senate measure augurs a loss of US\$41 billion and 70,000 jobs. We understand the Senate passed the protectionist bill because the formidable U.S. trade deficit has been blamed for rising unemployment. Facing a strong lobby from a number of American industries, and considering U.S. future interests, the majority of the senators agreed to set quotas on imports from these 12 countries.

The Republic of China, the sixth largest trading partner of the U.S., cannot blame the Senate for its decision. But our lobby groups must explain to and convince U.S. decision makers that protectionism is neither mutually beneficial, nor will it help America's long-term interests.

Meanwhile, U.S. President Reagan said before and after both houses passed the bill that he will veto the legislation. Recently, in a letter to Senator Dan Evans, Reagan said, "I will not sign any protectionist legislation that diminishes competition abroad or here in the United States."

The measure, passed by less than the two-thirds majority necessary to override a presidential veto, gives the President great leverage in persuading law makers to follow his policies. But the final U.S. stand on this thorny issue is not known.

However, we here in Taiwan should not just rely on the U.S. President's action to relieve us. Actually, we should take this as an opportunity to reexamine our trade policy.

Many local economist and scholars have suggested the government should place more emphasis on the ROC's trade relations with countries other than the United States and Japan. The government has said on various occasions that this country must increase trade with the European Economic Community. However, so far, not very much has been done and not many tangible results have been produced. Ironically, the ROC's total value of trade with European countries decreased last year.

According to local reports, the hurdles of ROC-European trade are not only a lack of diplomatic relations, but also a shortage of people who speak European languages.

We sincerely hope the government will come up with a new trade policy and make quick adjustments, since international trade plays a vital role in our economy. Trade with only one country will make us overly dependent.

Whether protectionism serves the United States' interests cannot be decided before it is put into practice. All the affected countries can lobby U.S. decision makers on the issue, but must respect whatever decision they make. Yet, we believe that before the responsible U.S. decision makers do decide finally they should think twice about the huge size and power of the American economy and its impact on world stability.

I. 27 Nov 85

CHINA
HONG KONG MEDIA ON CHINA

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XU JIATUN SAYS HE WILL CLARIFY DEVIATIONS LATER

HK240548 Hong Kong SOUTH CHINA MORNING POST in English 24 Nov 85 p 12

[Text] Beijing's top man in Hong Kong, Mr Xu Jiatun, said yesterday he will shed light on what he criticised as "deviations" of the Sino-British Joint Declaration "at the appropriate time."

The assurance came after feedback from top Hong Kong officials and the Foreign office in Britain on Mr Xu's remarks on Thursday about the "deviations." The deviations apparently referred to the Hong Kong Government pushing ahead with political reforms.

Britain's Foreign Office said in a statement on Friday night they had no idea of what Mr Xu meant concerning the deviations of the Sino-British Joint Declaration. "Both governments are fully committed to the Joint Declaration," a spokesman said.

The Governor, Sir Edward Youde, and the Chief Secretary, Sir David Akers-Jones, also said the British side had not deviated from the spirit of the Joint Declaration.

Mr Xu, the director of the local branch of the NEW CHINA NEWS AGENCY, told a press conference on Thursday: "We cannot overlook the trend that some things have deviated from the Sino-British Joint Declaration." The NCNA chief also warned of incompatibility of present political reforms and the Basic Law -- saying it might bring "misfortunes" to Hong Kong, Britain and China.

Mr Xu's comments have whipped up a political storm in the territory. Top government officials, Legislative Councillors, leaders of political bodies and commentators agreed they had not detected any "deviations" so far.

Speaking at the 10th anniversary ceremony of the Federation of Education Workers yesterday, Mr Xu broke his silence and promised that he will explain to Hong Kong people what he meant by "deviations" at the appropriate time.

The head of the Department of Political Science of the University of Hong Kong, Professor Peter Harris said: "Britain's reaction has come as expected. They have to respond to that (allegation)." He said if Mr Xu's comments on Hong Kong's political reforms reflect the thinking of top Chinese leaders, the remarks could develop into a Beijing warning that a "Western-style political system" would not be accepted.

"There's a lot of worry...it's something for Beijing to make clear...the remark is a serious allegation," he said.

Hong Kong Official Comments

HK230454 Hong Kong HONG KONG STANDARD in English 23 Nov 85 pp 1, 20

[By Danny Lo]

[Text] The Chief Secretary, Sir David Akers-Jones, said yesterday that neither Britain nor China had deviated from the terms laid down in the Joint Declaration over the future of Hong Kong.

"As far as I am aware, both sides had been adhering to the spirit and the letter of the Joint Declaration" he said.

Sir David said this when replying to reporters' questions about remarks made by the head of XINHUA NEWS AGENCY's local branch, Mr Xu Jiatun, during a press conference on Thursday.

Sir David was attending a party celebrating the 85th anniversary of the Chinese General Chamber of Commerce.

Mr Xu had said in the press conference that "somebody has already deviated from the Joint Declaration." His statements, seen by some as an attempt to put a brake on the present direction of political reforms here, would not affect the timetable of the Government review.

Sir David said the review on the development of a more representative government will go ahead, as scheduled, in 1987. "We must certainly conduct a review before the election (for the Legislative Council) [Legco] in 1988," he said.

Asked about the linkage of the development of representative government and the Basic Law, a point stressed by Mr Xu at the press conference, Sir David said: "It is certainly a matter for consideration." Sir David said he did not think Mr Xu or China was trying to dictate the direction of political reform here. "Certainly not. Mr Xu merely was repeating what we have said, and that is, the change should be gradual, if you read what he said in the press conference," said the chief secretary.

Asked whether Mr Xu's comments would have a demoralising effect on reforms here, Sir David said it would not be appropriate to comment. He also refused to comment on reports that Mr Xu's press conference was conducted so that the issue of political reform here would be discussed in the Joint Liaison Group meeting. "All I can say is that the matters to be discussed at the Joint Liaison Group are a matter for the two governments," he said.

Many Unofficial Legco members were unwilling to comment on Mr Xu's remarks. But most of those who did take the remarks as a kind of advice and did not believe reforms here should wait until the promulgation of the Basic Law. They did not see any signs that the terms and spirit of the Joint Declaration were being breached but they recognized the question of linkage between the development of both.

But shortly afterwards, Sir David dispelled that notion by saying that the Hong Kong Government would not consult Beijing on how to administer the territory during the transition period leading up to 1997. "The Chinese Government has made it clear it is our responsibility to run Hong Kong in the next 12 years. Therefore, we don't have to consult them," said Sir David.

Sir David's comment was seen as a rebuke to his deputy because the word "consult" would have carried the implication that the Hong Kong Government could not administer the territory.

In fact, it is feared that this would create an undesirable image of being a "lame-duck" government -- a taboo that Hong Kong Government has tried to avoid. But the Government also recognises that it would be unrealistic to ignore the "China factor" when it designs the course for future political reforms in Hong Kong.

China can veto Hong Kong's future political system with its option of rejecting any political system initiated by the British Hong Kong Government which it does not like. It is stated clearly in the Joint Declaration on Hong Kong future that the policies of China regarding Hong Kong after 1997 will be stipulated in the Basic Law which will, in effect, be the constitution of the future Hong Kong Special Administrative Region Government. This implies that political reforms must be regulated by the Basic Law.

In this case, it is logical to suggest that political reforms initiated by Hong Kong Government should be "linked" to the Basic Law in order to ensure a smooth transition when sovereignty of Hong Kong is reverted to China in 1997. But the problem is how to work out such a link since the drafting of the Basic Law is considered China's internal matter.

On the surface, this problem can be easily solved as there is already a channel established between the two governments -- the Joint Liaison Group [JLG].

An official source pointed out that since the JLG is a formal diplomatic body between two governments, it leaves little room for manoeuvring if both parties cannot agree on certain issues.

"If the British Government intends to introduce direct elections but is rejected by the Chinese delegation at the Joint Liaison Group meeting, should we insist on going ahead with this or not?" he asked. "Of course, the Hong Kong Government does not need to consult the Chinese Government on how to run Hong Kong in the next 12 years. But we have to be realistic. China has the option of repudiating a political structure built under British auspices," the source said.

In this case, the Hong Kong Government must sort out other channels to figure out what Beijing's thinking on the future course of political reforms in Hong Kong. But Beijing is still apparently sceptical of British intentions in building a political system "rooted in Hong Kong accountable to people."

As a political analyst observed: "When the territory moves closer to 1997 and more reforms are made, there will be an increasing need for more conciliatory politics among all parties."

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